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ORIGINAL

42nd ANNUAL REPORT of the

to the *Ann*
Congress
OF THE UNITED STATES

U.S. FOREIGN-TRADE ZONES

Foreign-trade zones are secure areas under U.S. Customs supervision that are considered outside the Customs territory of the United States. Located in or near U.S. Customs ports of entry, they are the U.S. version of what are known internationally as free trade zones. Authority for establishing these facilities is granted by the Foreign-Trade Zones Board under the Foreign-Trade Zones Act of 1934, as amended (19 U.S.C. 81a-81u), and the Board's regulations (15 C.F.R. Part 400). The Executive Secretariat of the Board is located within the U.S. Department of Commerce, Washington, D.C. 20230.

Foreign and domestic merchandise may be moved into zones for operations not otherwise prohibited by law involving storage, exhibition, assembly, manufacture, or other processing. The usual formal Customs entry procedure and payment of duties is not required on the foreign merchandise unless and until it enters Customs territory for domestic consumption, in which case the importer has a choice of paying duties either on the original foreign materials or the finished product. Quota restrictions do not normally apply to foreign goods in zones. Domestic goods moved into a zone for export are considered exported upon entering the zone for purposes of excise tax rebates and drawback.

Zones are sponsored by qualified public or public type corporations, who may themselves operate the facilities or contract for their operations with public or private firms. The operations are conducted on a public utility basis, with published rates. Typically, a foreign-trade zone provides leasable storage distribution space to users in general warehouse-type buildings with access to all modes of transportation. Most zones are part of an industrial park with lots on which zone users can construct their own facilities. Subzones are sites authorized by the Board through zone grantees for operations by individual firms when zone procedures cannot be accommodated within an existing zone.

The last few pages of this report contain a list of approved U.S. foreign-trade zones with the names and addresses of their business managers.

The regulations of the Foreign-Trade Zones Board are published in the Code of Federal Regulations at Title 15, Part 400 (15 C.F.R. Part 400), and the regulations of the U.S. Customs Service concerning zones at Title 19, Part 146 (19 C.F.R. Part 146).

**42nd Annual Report of the
Foreign-Trade Zones Board
to the Congress of the United States**

**for the fiscal year ended
September 30, 1980**

FOREIGN-TRADE ZONES BOARD

**Philip M. Klutznick
Secretary of Commerce
Chairman**

FOREIGN-TRADE ZONES BOARD

Philip M. Klutznick

**Secretary of Commerce
Chairman**

G. William Miller

Secretary of the Treasury

Clifford L. Alexander, Jr.

Secretary of the Army

John J. Da Ponte, Jr.

Executive Secretary

**Foreign-Trade Zones Board
*Washington, D.C. 20230***

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LETTER OF TRANSMITTAL

The President of the Senate

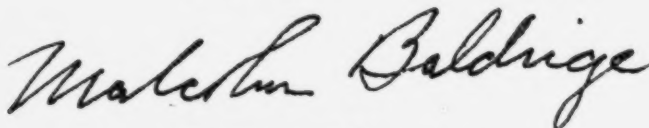
The Speaker of the House of Representatives

Sirs:

The Foreign-Trade Zones Board has the honor to submit this 42nd Annual Report for the fiscal year ended September 30, 1980, together with the reports covering the operations during the same period of Foreign-Trade Zones Nos. 1, 2, 3, 5, 7, 8, 9, 12, 14, 15, 17, 18, 21, 22, 23, 24, 25, 26, 27, 32, 33, 36, 37, 38, 41, 42, 43, 44, 45, 46, 47, 55, and 57, located respectively at New York, New Orleans, San Francisco, Seattle, Mayaguez (Puerto Rico), Toledo, Honolulu, McAllen (Texas), Little Rock, Kansas City (Missouri), Kansas City (Kansas), San Jose, Dorchester County (South Carolina), Chicago, Buffalo, Wilkes-Barre (Pennsylvania), Port Everglades, Shenandoah (Georgia), Boston, Miami, Pittsburgh, Galveston, Newburgh (New York), Spartanburg (South Carolina), Milwaukee, Orlando, Battle Creek (Michigan), Morris County (New Jersey), Portland (Oregon), Cincinnati, Campbell County (Kentucky), Burlington (Vermont), and Charlotte (North Carolina), and Subzones Nos. 3A, 9A, 24A, 33A, 44A and 46B, at San Francisco, Honolulu, Wilkes-Barre, Pittsburgh, Morris County, and Cincinnati.

These reports are submitted in compliance with the provisions of Section 16 of the Foreign-Trade Zones Act, as amended.

Sincerely,



Secretary of Commerce
Chairman
Foreign-Trade Zones Board

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Report of the Executive Secretary

Fiscal year 1980 saw further expansion in the number of approved U.S. foreign-trade zone projects as well as in overall zone activity. Reports were received on 33 operational projects compared with 26 last year. During the year, 9 new zones were authorized, increasing the number of communities with zones to 55 located in 31 states (see Fig. 1).

Zone grantees reporting for the first time this year were as follows: No. 27, Boston; No. 41, Milwaukee; No. 42, Orlando; No. 44, Morris County, New Jersey (New York City port of entry); No. 55, Burlington, Vermont; and No. 57, Mecklenburg County, North Carolina (Charlotte port of entry). Also, Zone 46, Cincinnati, reported for the first time on a new subzone near Columbus.

Significant growth in zone activity is reflected in the increased total value of shipments received in zones during the period. Compared with last year's \$1.5 billion in merchandise received, this year's figure was up 71 percent to \$2.6 billion. Of these shipments \$1 billion were for general-purpose zones, with \$1.6 billion received at special-purpose subzones. This represented increases over last year of 46 percent and 92 percent, respectively.

While the increase in shipments is partly due to the greater number of facilities now in operation, with seven new projects reporting this year, there was also expanded activity in most of the existing zones. Of the 25 general-purpose zone projects that were in operation already last year, 80 percent showed increases in the volume of shipments received, with a majority of them experiencing an increase of at least 25 percent.

Of the 30 general-purpose zones operating during the current fiscal year, only 11 were in operation before 1975. These older projects accounted for \$604 million of the goods received in zones, with the newer projects accounting for \$403 million. Of the top five zones in terms of value-of-goods received, four were among the older facilities. The only new zone among the top five was Miami's, which saw incoming shipments climb from \$15 million last year to \$96 million, placing it third, behind McAllen, Texas (\$276 million) and New York City (\$115 million). New Orleans

Figure 1
PORT OF ENTRY COMMUNITIES
WITH APPROVED FOREIGN-TRADE ZONES

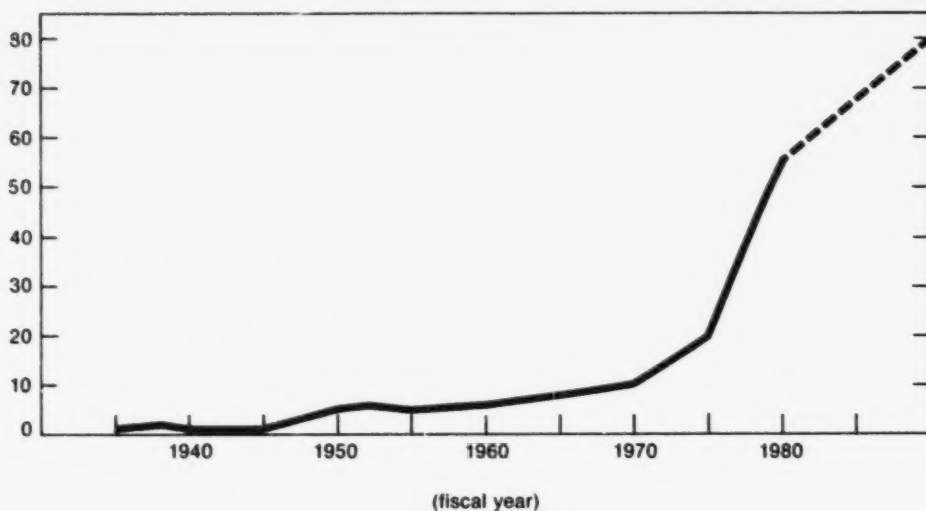
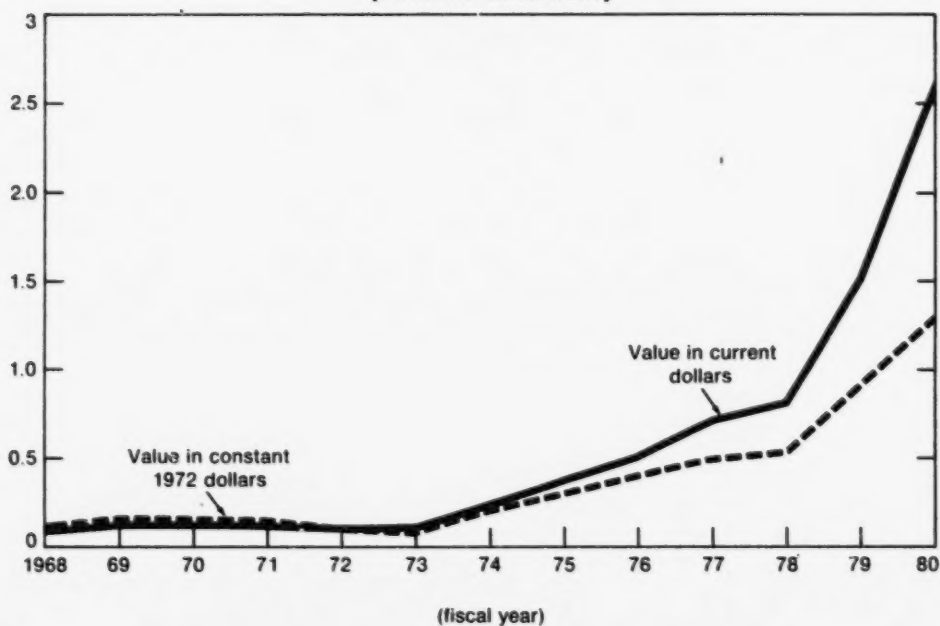
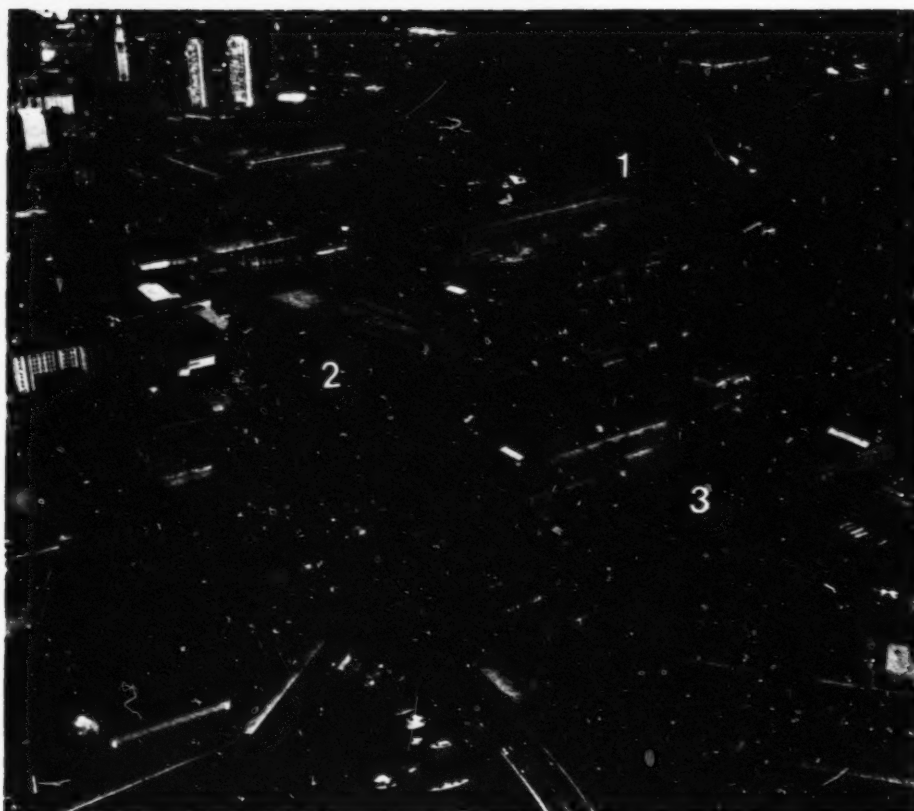


Figure 2
VALUE OF MERCHANDISE RECEIVED
IN
U.S. FOREIGN-TRADE ZONES
(millions of dollars)



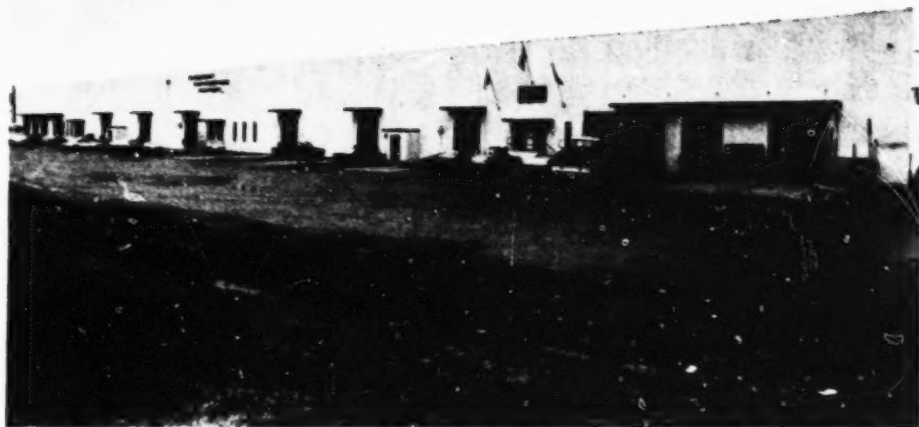


Foreign-Trade Zone 27, Boston, Massachusetts. During the year Massport opened its zone site at Commonwealth Pier in Boston Harbor (Site 1). The photo also shows Sites 2 and 3 which are available for longer-term activity.

was a close fourth with \$90 million. The overall growth in zone activity includes significant increases in the older zones, as well as the new business generated by the post-1975 group. Normally, it takes 3 to 5 years of operation before a pattern of sustained activity develops, with faster growth occurring in zones located in or near major trade centers.

Exports from zones continued to climb at a healthy pace. Of \$2.5 billion in goods shipped from zones during the year some \$700 million were destined for overseas markets, compared with \$348 million last year. This reflects a substantial gain in the ratio of exports to total outgoing shipments, which climbed to 30 percent, compared with 24 percent last year. General-purpose zones showed over 40 percent of their shipments as exports or \$392 million of \$950 million. This is by far the highest ever. The top five zones in export volume were as follows: No. 12, McAllen; No. 1, New York City; No. 24, Wilkes-Barre/Scranton; No. 32, Miami; and, No. 3, San Francisco. While subzones saw \$306 million of their \$1.5 billion in shipments leave as exports, a lower ratio of 20 percent,

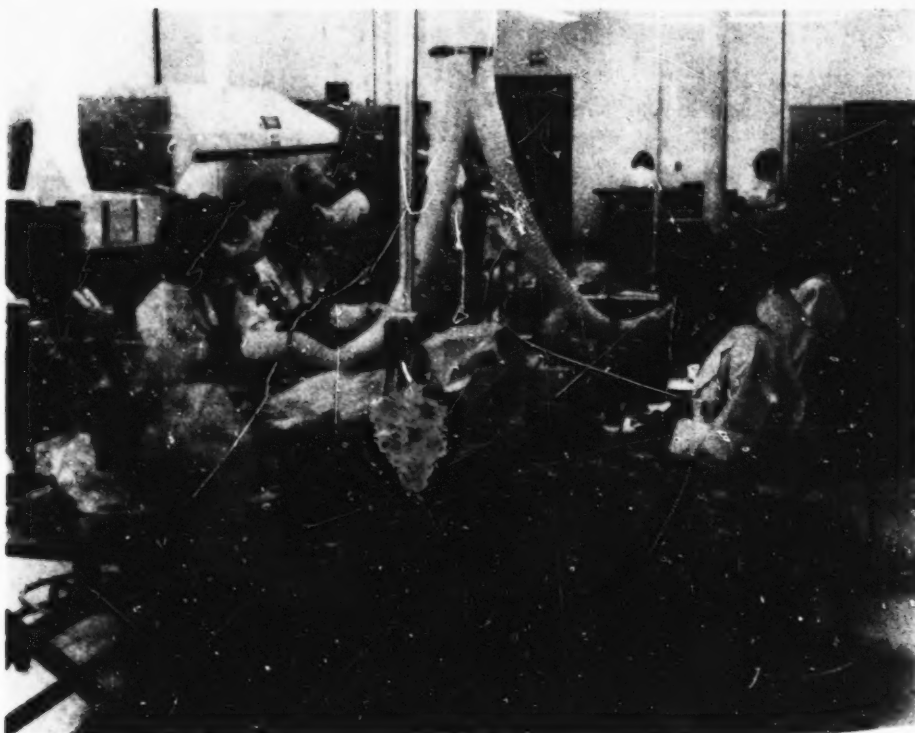
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Foreign-Trade Zone 57, Mecklenburg County, North Carolina. Warehousing facility at North Carolina's first foreign-trade zone at the inland port of entry of Charlotte.

the total balance-of-trade impact is not reflected in this figure. Manufacturing operations in subzones continue to involve value-added activities that have a positive impact even for products sold in the domestic market because of the "import-substitution" effect (see Fig. 2).

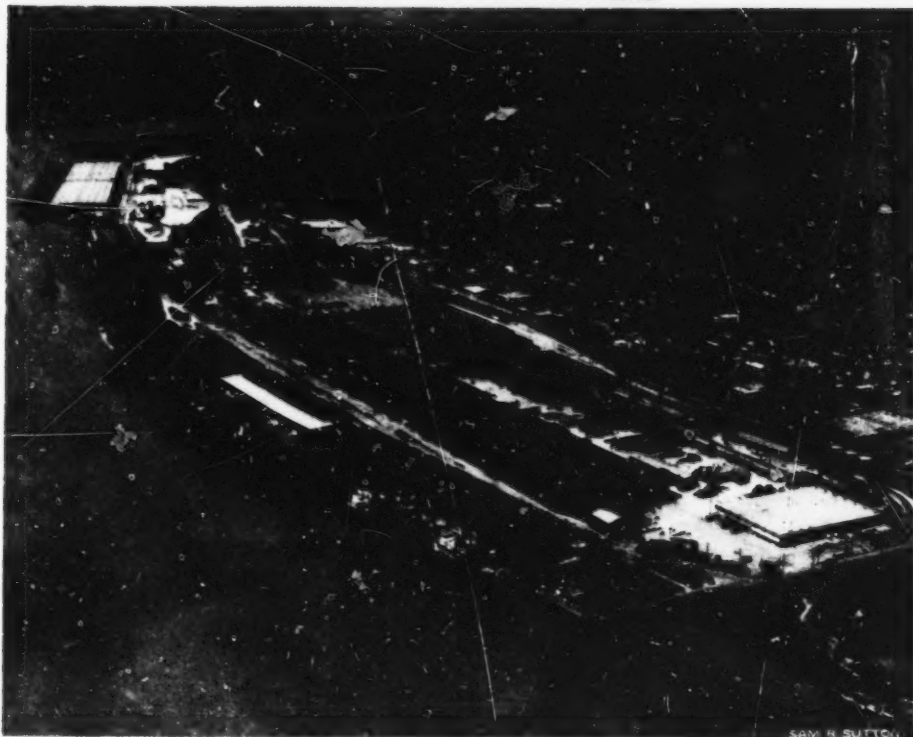
An increase in manufacturing and assembly operations has increased employment within zone facilities. Of 11,700 jobs in zones, some 5,500 were in general-purpose zones where processing, assembly, and manufacturing now account for over 10 percent of what has traditionally been warehousing/distribution. Subzones, which are almost exclusively devoted to manufacturing related activities, accounted for over 6,200 jobs. These figures do not include the further secondary impact which zones have on employment. Last year over 1,370 firms used zones, ranging from multinationals to small business. Of these zone users, 405 were permanent tenants and some 970 were part-time users. The latter figure represents firms whose main operations, including manufacturing plants, were outside zones. The flexible cost-reducing Customs procedures available in zones helped them compete in foreign markets as well as against imports of finished products. Even among permanent zone tenants, most are firms whose overall operations are assisted by their zone activity. In measuring the employment impact of zones, this broader scenario that includes secondary effects must be considered.



Foreign-Trade Zone 55, Burlington, Vermont. Inspection of electronic components within Burlington's new foreign-trade zone.

During the fiscal year, the Board issued 16 formal orders, most concerning the approval of new zones, subzones, and expansions. A summary of these orders is in the appendix to this report. New zones were approved for eight port-of-entry areas: Duluth, New York City (Suffolk County), Tulsa, Champlain/Rouses Point (Clinton County, N.Y.), Burlington, San Francisco/Oakland, Charlotte, and Bangor. Three new special-purpose subzones were approved for the port-of-entry areas of Fall River, Mass.; Portland, Oregon; and, Omaha, Nebraska. Because the products involved in the two former cases were in the import-sensitive category (steel and textiles), the applicants voluntarily limited the zone portion of their proposed manufacturing activity to export operations only. The third subzone involved another motorcycle assembly plant. Expansions of the Buffalo and Philadelphia zones were approved in other actions, and the voluntary relinquishment of the Bay County, Michigan zone was accepted. This latter zone had been established primarily for petrochemical operations during the mid-1960's when oil import quotas were in effect. That use never materialized because of Interior Department restrictions and the matter became moot once the quotas were dropped in the 1970's.

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Foreign-Trade Zone 2, New Orleans, Louisiana. Zone activity showed a significant increase at the nation's second oldest zone in New Orleans.

The two remaining orders involved "zone restricted" merchandise cases. Under Customs regulations (19 C.F.R. Sec. 146.25) goods shipped into zones may be given instant export status if they are placed in the "zone restricted" category. The merchandise is then considered exported for purposes of duty drawback and other import tax refunds. There is a commitment that goods in this category must eventually be exported or destroyed. They may be returned to Customs territory only if the Board "deems such return to be in the public interest" (FTZ Act, 19 U.S.C. 81c). Of the two cases processed during the year in which the Board permitted the reentry of zone restricted goods, one was unique in providing a general exemption that permits firms to return precious scrap material from crushed substandard semiconductors. The practice allows electronics firms to recover duties on defective semiconductors as well as the scrap value of their precious metal content without the need for shipping the materials abroad, as was formerly the practice.

Twenty formal applications were received for the Board docket during the year, a list of which appears in the table on page 11. Grants of authority for new zones were requested in 14 of the proposals, and two involved requests for special-purpose subzones.



Foreign-Trade Zone 7, Mayaguez, Puerto Rico. Quality control tests at one of the pharmaceutical plants within the industrial park foreign-trade zone.

The other applications involved requests for changes to existing projects: expansions, time extensions, or temporary sites.

There also was action on a number of more routine administrative requests not requiring formal Board approval. They involved boundary modifications, and manufacturing or construction concurrences. The Board's regulations delegate staff authority for these actions.

The Customs Service continued work on a number of projects designed to streamline and improve its control role in foreign-trade zones. An operations manual was being prepared, as were amendments to zone forms designed to collect information needed by the Bureau of the Census. In February 1980, Customs made an important change to its regulations concerning appraisement procedures for goods leaving zones for entry into Customs territory. The amendment to Section 146.48(e) of its regulations (19 C.F.R. Part 146) ended the practice of including domestic processing costs and profits in the dutiable base. The change, which became effective on April 22, 1980 (46 F.R. 17976, 3-20-80), is favorable to firms assembling and manufacturing goods in zones using some foreign components. It is designed to help stimulate the relocation of such operations to the United States from abroad. The petition for the change was initiated by the National Association of Foreign-Trade Zones.

The only major industry issue arising during the year was precipitated by the proposal of the Panama City Port Authority, filed in January 1980, requesting authority to establish a general-

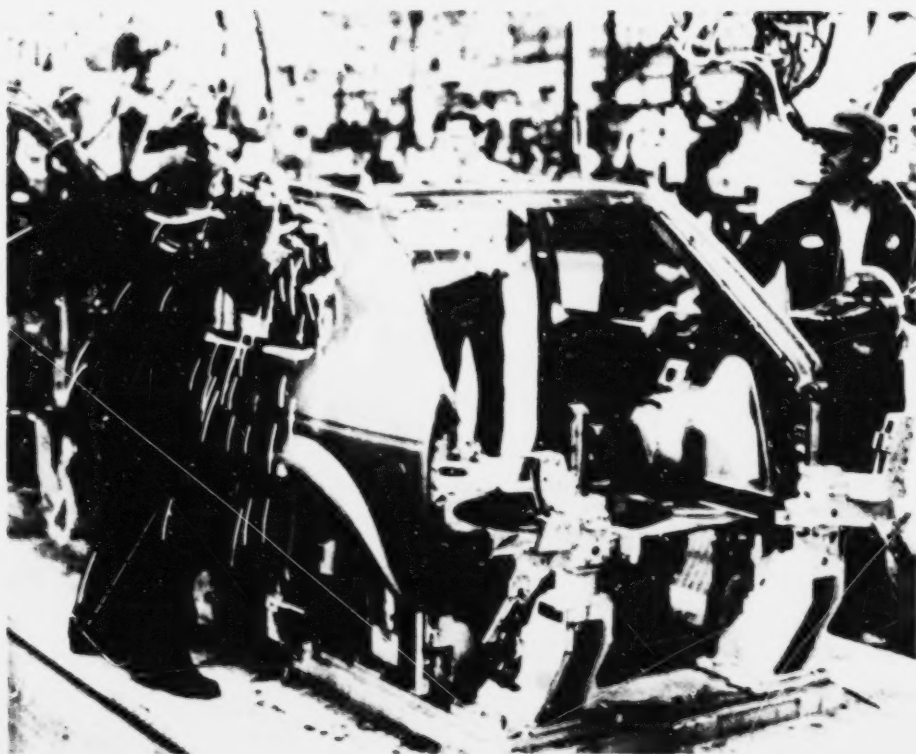
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Foreign-Trade Zone 54, Plattsburgh, New York. One of the incubator buildings within the Clinton County Air Industrial Park, site of the second foreign-trade zone on New York's Canadian Border. The zone, consisting of a warehousing facility in Champlain on the Canadian Border near Montreal and an industrial park facility in Plattsburgh, was authorized during the year.

purpose foreign-trade zone in its port complex and industrial park in Panama City, Florida. The controversy involved a large-diameter steel-pipe plant being built within the complex. Foreign and domestic steel plate would be used to produce pipe for both the domestic and foreign markets. Zone procedures would allow the domestic entries to be made on the basis of the pipe, which carries a significantly lower duty rate. Also, export operations could be conducted duty-free. At year's end the proposal, which was strongly contested by the domestic steel industry, was under review. The main issues under study related to the impact of the resulting duty reduction on the domestic steel industry and the effect that zone procedures would have on the administration of antidumping and countervailing duty procedures.

This year a survey was conducted of zones showing a deficit in their operating income and expenses, a common occurrence especially among the newer projects. The conventional explanation for these deficits when they extend beyond a normal breaking-in period has been that zone projects are designed to improve the general business climate through the international trade services they provide, thus helping generate activity that creates a net positive effect. Essentially, the point is that zones are evaluated not only in terms of their immediate financial viability but also



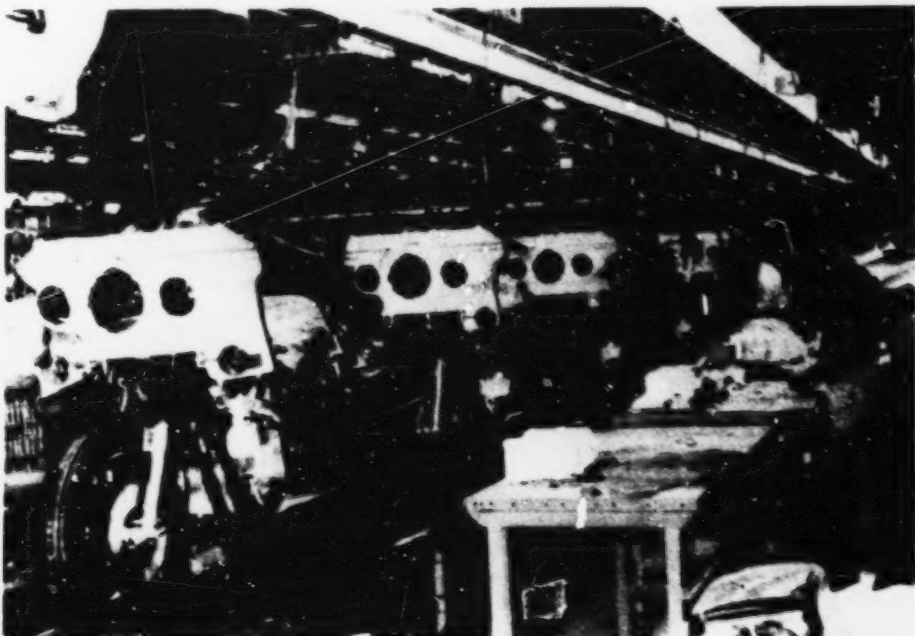
Foreign-Trade Subzone 33A, Westmoreland County, Pennsylvania. The assembly line at the Volkswagen Rabbit assembly plant 35 miles southeast of Pittsburgh.

in terms of their broader economic viability, that includes their impact on the community and the larger project with which they are associated. This explanation was borne out in the responses of the 12 zones contacted in the survey. None considered the reported deficit as reflecting a net loss.

Status reports were received from zone grantees whose projects are not yet operational. There are still a few zones approved more than 3 years ago that have not opened for business. In all cases, there have been reasons for the delays that have not dissuaded the sponsors from continuing their projects, which are viewed as part of their longer term efforts. The impact of high interest rates on new construction has been a major factor, and in most cases, the original plan is being modified because of changed circumstances. In approving zones, the Board has recognized that the zone grant of authority is normally just one of many steps in implementing the overall projects of which they are a part.

The Foreign-Trade Zones Staff has been following the progress of proposed legislation on export trading companies and enterprise zones. Both of these proposals, if adopted, are expected to involve trade activity related to foreign-trade zones.

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Foreign-Trade Subzone 59A, Lincoln, Nebraska. Assembly line at the Kawasaki Motors Corp. motorcycle plant in Lincoln.



Foreign-Trade Subzone 45A, Portland, Oregon. The Board was able to approve a subzone for this steel pipe manufacturing plant because full zone benefits were requested for export operations only.

**APPLICATIONS FILED
FY 1980**

DOC #	Applicant	POE	Filed, F.R.	Type*	Action & Date, F.R.
10-79	City of Oakland	S.F./Oakland	10/12/79 (44 FR 61239, 10/24/79)	NZ	4/18/80 (45 FR 27802, 4/24/80)
11-79	Brownsville Navigation District	Brownsville	10/31/79 (44 FR 65116, 11/9/79)	NZ	10/20/80 (45 FR 71638, 10/29/80)
12-79	Greater Burlington Industrial Corp.	Burlington	11/8/79 (44 FR 66226, 11/19/79)	NZ	2/14/80 (45 FR 12479, 2/26/80)
13-79	City of Bangor	Bangor	11/9/79 (44 FR 66227, 11/19/79)	NZ	6/19/80 (45 FR 43455, 6/27/80)
14-79	Lincoln FTZ, Inc.	Omaha	12/6/79 (44 FR 72206, 12/13/79)	NZ	8/27/80 (45 FR 58637, 9/4/80)
1-80	Panama City Port Authority	Panama City	1/4/80 (45 FR 2077, 1/10/80)	NZ	1/16/81 (46 FR 8072, 1/26/81)
2-80	North Carolina Department of Commerce	Charlotte	1/7/80 (45 FR 3093, 1/16/80)	NZ	4/28/80 (45 FR 30466, 5/8/80)
3-80	Border Industrial Development, Inc.	Nogales	2/26/80 (45 FR 14239, 3/5/80)	NZ	10/15/80 (45 FR 70037, 10/22/80)
4-80	Massachusetts Port Authority	Fall River	2/28/80 (45 FR 14239, 3/5/80)	SZ	6/20/80 (45 FR 43455, 6/27/80)
5-80	RIDC VW Annex Administrative Case	Pittsburgh	4/2/80 (45 FR 23712, 4/8/80)	SZ	6/9/80 (A-4-80) Approval under Sec. 400.1301(j)

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APPLICATIONS FILED

Page Two—FY 1980

DOC #	Applicant	POE	Filed, F.R.	Type*	Action & Date, F.R.
6-80	Puerto Rico Commercial Development Co.	San Juan	4/7/80 (45 FR 24907, 4/11/80)	NZ	10/20/80 (45 FR 71408, 10/28/80)
7-80	City of Detroit	Detroit	5/14/80 (45 FR 34029, 5/21/80)	NZ	7/21/81 (46 FR 38941, 7/30/81)
8-80	Greater Detroit FTZ, Inc.	Detroit	5/14/80 (45 FR 34029, 5/21/80)	NZ	7/21/81 (46 FR 38941, 7/30/81)
9-80	Philadelphia Port Corporation	Philadelphia	5/27/80 (45 FR 37249, 6/2/80)	E	8/21/80 (45 FR 58388, 9/3/80)
10-80	Prince George's County	Washington, D.C.	5/27/80 (45 FR 37471, 6/3/80)	NZ	10/20/80 (45 FR 71639, 10/29/80)
11-80	Jacksonville Port Authority	Jacksonville	5/29/80 (45 FR 38096, 6/6/80)	NZ	12/29/80 (46 FR 1330, 1/6/81)
12-80	Tri-City Regional Port District	St. Louis	8/18/80 (45 FR 56853, 8/26/80)	E	11/21/80 (45 FR 79520, 12/1/80)
13-80	North Carolina State Department of Commerce	Wilmington	9/17/80 (45 FR 63323, 9/24/80)	NZ	4/14/81 (46 FR 22919, 4/22/81)
14-80	El Paso Trade Zone, Inc.	El Paso	9/17/80 (45 FR 63540, 9/25/80)	NZ	4/14/81 (46 FR 22918, 4/22/81)
15-80	Department of Labor and Industry of the State of New Jersey	Newark	9/29/80 (45 FR 65269, 10/2/80)	E	10/17/80 (45 FR 71408, 10/28/80)

* NZ, New Zone
SZ, Subzone
E, Expansion or Temporary

Reports of the Foreign-Trade Zone Grantees

Annual reports of the 33 general-purpose foreign-trade zones and seven subzones in operation during the year are summarized below. The reports from which these summaries were made cover the fiscal year ended September 30, 1980. The reports were submitted to the Foreign-Trade Zones Board by zone grantees in accordance with the Board's regulations.

Foreign-Trade Zone No. 1 New York, New York Grantee: The City of New York

Foreign-Trade Zone No. 1 is a general-purpose zone, which occupies 240,000 square feet on four floors of Building #77 in the Brooklyn Navy Yard, Brooklyn, New York.

This is the eighth year of operation of the zone at this site by S & F Warehouses, Inc., which operates the zone for the City of New York.

In conjunction with operating the New York zone, S & F Warehouses, Inc., also operates a U.S. Customs bonded warehouse, a free storage warehouse, and is a licensed Customs house trucking company. The zone thus offers a broad range of trade services for its customers.

The zone served approximately 183 business firms during fiscal 1980, an increase of 18 business firms over the previous year.

During the year, some \$115 million in merchandise was received and \$116 million worth was shipped, 75 percent of which was for export.

Use of the Zone by Business Firms

The New York zone served approximately 183 business firms during the fiscal year. The 12 permanent zone tenants together employed 95 people within the zone.

Manipulations and manufacturing operations carried out in the zone included the following:

Automotive parts: Repack and remark.

Cameras: Examine, sort, and repack.

Car cassettes: Repack and remark.

Caviar: Repack and remark.

Clothing (coats and pants): Repack into bundles.

Feathers: Repack and remark.

Handicrafts: Examine, revalue, and remark.

Leather goods: Assort and remark.

Paper: Repack and remark.

Piece goods: Cut, sample, examine, mark, and repack.

Radios and TV's: Repack.

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Toiletries: Repack and remark.

Umbrellas: Repack.

Watches: Examine, segregate, and repack.

Watch bands: Repack into wooden cases for export.

Movement of Merchandise in Fiscal Year 1980

The New York zone handled 149 different commodities from 47 countries of origin, compared with 155 commodities from 44 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1 80	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	5,060,403	2,156	4,422,966	2,501
Of domestic origin	37,645	32	25,310	26
Total	5,098,048	2,188	4,448,276	2,527

Movement of Merchandise During Year

<i>Received</i>	Dollars	Short tons
From U.S. Customs territory	1,244,010	102
From foreign countries	113,886,352	9,316
Total	115,130,362	9,418
<i>Forwarded</i>		
To U.S. Customs territory	29,852,057	1,680
To foreign countries	85,928,077	7,399
Total	115,780,134	9,079

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Radios & TV's	\$60,819,766	Radios & TV's	4,973
Watches	21,764,020	Umbrellas	1,159
Sewing machines	3,104,626	Vodka	549
Umbrellas	2,850,877	Auto parts-tanks	274
Titanium sponge	1,472,393	Typewriter parts	133

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Japan	\$58,837,001	Japan	3,278
Hong Kong	12,965,589	Taiwan	1,344
Taiwan	7,534,367	Hong Kong	1,310
People's Republic of		People's Republic of	
China	3,212,885	China	859
Korea	2,269,581	U.S.S.R.	549

Nonprivileged¹ foreign merchandise received at the zone during the fiscal year amounted to 9,164 short tons, valued at \$112,858,149.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$2,238,904.

Occupancy

The average percentage of occupancy of income-producing space for the New York zone during the fiscal year was 85 percent. All space is within a warehouse structure.

Income and Expenditures

Income and expenditures of the New York zone for fiscal years 1979 and 1980 are shown in table 1.

Table 1.—*Summary of Income and Expenditures, New York Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rentals received from buildings, machines, and equipment	\$ 69,385.65	\$ 74,210.62
Storage and handling	483,845.16	603,732.10
All other items	130,735.92	215,778.18
Total	\$683,966.73	\$893,720.90
EXPENDITURES		
Salaries and wages paid to zone employees	\$241,633.10	\$320,510.20
Reimbursement to U.S. Customs Service	68,512.20	94,100.00
All other expenditures	300,952.16	370,962.20
Building improvement	45,473.15	67,127.90
Total	\$656,570.61	\$852,700.30

¹ As defined in U.S. Customs Service regulations (19 C.F.R. § 146.23).

Foreign-Trade Zone No. 2

New Orleans, Louisiana

Grantee: Board of Commissioners of the Port of New Orleans

Foreign-Trade Zone No. 2 is a general-purpose zone, located on 18.62 acres adjacent to and north of the Napoleon Avenue Wharf and the contiguous waterfront terminals that are on the Mississippi River in New Orleans. The zone offers 345,080 square feet of paved and unpaved open space and 297,732 square feet of shedded warehouse area. Warehousing and fumigation services are also available.

The overall results of the year's zone operation reflect an increase in tonnage and dollar value of merchandise handled. The greatest area of interest remains in the use of the zone as an inspection, assembly, and distribution point for high-value, low-weight merchandise originating in Asia and destined for U.S. markets.

The value of merchandise moving in and out of the zone during the fiscal year increased by 60.8 percent while tonnage movements were up 4 percent. Exports, both in value and in tonnage, rose slightly over fiscal 1979 figures. Duties and taxes collected on zone merchandise amounted to \$3,384,923, which was 12.6 percent above last year's figures.

The zone grantee and the City of New Orleans are jointly conducting a feasibility study to relocate and expand the existing zone into an industrial park area so that manufacturing can be accommodated.

The grantee employs 16 persons for the administration and operation of the zone, and 147 full-time persons work on site for zone users. A spinoff ratio of 4.5 would find the zone responsible for 661 additional jobs in the area. There are five Customs officials assigned to the zone.

Use of the Zone by Business Firms

The zone served 210 business firms during fiscal 1980, including 13 that occupied the zone on a continuous basis, employing ap-

proximately 184 persons—147 of whom were full-time.

Manipulation and manufacturing operations carried out in the zone included the following:

Cameras: Inspect, repair, add projector, light meter, film, and batteries to make kits for store outlets.

Casein: Clean, grade, commingle, grind, rebag, and/or destroy.

Electrical appliances: Inspect, quality control, and repair.

Fishing reels: Inspect, repair, and combine with domestically purchased rods to make kits packaged for store outlets.

Galvanized chain: Cut.

Lumber: Dry and stack.

Office machines: Inspect, quality control, and repairs.

Personal and household effects: Package for export.

Steel hose and fittings: Make up finished high pressure lines for oil industry.

Synthetic rope: Cut eyes off coils.

Whiskey and wines: Weigh, sample, and affix city and state stamps.

Wire rope: Manufacture bridles.

The following commodities were fumigated in the zone:

Bolts and nuts	Dried herbs
Brassware	Empty steel drums
Chicory roots	Household effects
Cocoa beans	Leather articles
Common works marble	Plastic (rolls)
Cotton cloth	Tractor parts
Diesel engines	Wooden articles
Dried flowers and grass	

Movement of Merchandise in Fiscal Year 1980

The New Orleans zone handled 51 different commodities from 47 countries of origin, compared with 71 commodities from 41 countries during the preceding fiscal year.

<i>Merchandise in Zone</i>				
		<i>Beginning of FY 1980</i>		<i>End of FY 1980</i>
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Total	124,867,972	43,230	134,289,135	40,678

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	17,712,957	3,658
From foreign countries	71,878,912	16,460
Total	89,591,869	20,118

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<i>Forwarded</i>	<i>Dollars</i>	<i>Short tons</i>
To U.S. Customs territory	77,819,538	21,140
To foreign countries	2,351,168	1,530
Total	80,170,706	22,670

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Office machines	\$17,265,713	Lumber	4,006
Cameras and binoculars	14,941,247	Chemicals	2,779
Electrical appliances ..	8,677,260	Steel	1,496
Chemicals (casein) ...	8,609,977	Alcohol	1,485
Steel	7,095,818	Electrical appliances	1,163

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Japan	\$31,124,503	Japan	4,480
United States	17,712,957	United States	3,658
Hong Kong	9,328,738	Poland	2,015
France	6,086,664	Brazil	1,509
Taiwan	5,145,060	France	1,482

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 4,580 short tons, valued at \$23,696,406.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$3,384,923.

Occupancy

The average percentage of occupancy of usable space for the New Orleans zone during the fiscal year was as follows:

	<i>Percent of total</i>
Covered space	82
Uncovered space	88

This represented 84 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the New Orleans zone for fiscal years 1979 and 1980 are shown in table 2.



Foreign-Trade Zone 2, New Orleans, Louisiana. Cameras and accessories being packaged for retail store outlets.

Table 2.—Summary of Income and Expenditures, New Orleans Foreign-Trade Zone—Fiscal Years 1979 and 1980

Item	1979	1980
INCOME		
Rentals received from buildings, machines, and equipment	\$214,309	\$185,851
Storage	118,854	118,053
All other income (including handling)	36,009	36,508
Total	\$369,172	\$340,412
EXPENDITURES		
Salaries and wages paid to zone employees..	\$ 78,420	\$ 88,797
Reimbursement to U.S. Customs Service....	100,007	100,593
Advertising and business promotion	28	152
All other expenditures	144,153	152,335
Total	\$322,608	\$341,877

Foreign-Trade Zone No. 3

San Francisco, California

Grantee: San Francisco Port Commission

Foreign-Trade Zone No. 3, operated by Foreign Trade Services, Inc., completed its 32nd year of continuous operation since being activated in 1948. In 1977, the zone was moved to its present location at Piers 19 and 23 on the San Francisco waterfront.

The primary facilities at Pier 23 consist of a general-purpose warehouse of 60,000 square feet and office and warehouse spaces of 22,500 square feet, which are operated by tenants. The facility, with walls and floors of concrete construction, is fully sprinklered with ADT leakage protection. Also included in the zone complex is an additional 40,000 square feet in the bulkhead area between Piers 19 and 23 and 100,000 square feet on Pier 19. Plans are underway to establish an international trade mart on the remaining space at Pier 19.

The zone offers on-line computerized data processing and also is staffed by two full-time Customs officials.

Two gift show exhibitions supported by 150 exhibitors from all corners of the globe were held during the year. Over 18,000 wholesale and retail-chain buyers attended each show.

As a result of the U.S. trade agreement with the People's Republic of China, there has been a great change in the inventories handled through the zone. The reduction of duties on handmade goods resulted in a notable decrease in the warehousing of carpets and jewelry merchandise. Changes in the U.S. Customs duty structure and quotas, on the other hand, resulted in increased storage of foodstuffs and other quota items.

Use of the Zone by Business Firms

The zone served 103 business firms during fiscal 1980. Of these firms, 14 occupied zone facilities on a continuous basis, employing up to 16 persons at one time—10 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Apparel: Unpack, inspect, inventory, and segregate damaged goods.

Carpets: Unpack, inspect, and inventory.

Cigarettes: Transfer zone lots.

Coin-operated machine stands: Destroy.

Firearms: Inspect, sort, and repack.

Fresh-water pearls: Inspect and sort for withdrawal in single units.

Fur fabric: Inventory by piece number and shade.

Games: Sort and segregate contents of damaged cartons for inspection, inventory, and testing with batteries.

Jade and wood carvings: Inspect and inventory.

Lacquerware: Unpack and inventory.

Liquor: Inspect, consolidate, transfer zone lots, affix strip stamps, and destroy broken bottles and substandard stock.

Needlepoint: Unpack and inspect.

Optical frames: Sort, inventory, and repack.

Perfume: Sort, inspect, and repack.

Pheasant feathers: Segregate for quota and reexport.

Silk hand paintings: Unpack, mark, and inventory.

Snuff bottles: Inspect and inventory.

Sunglasses: Sort, inventory, and repack.

Swimming suits: Count, inventory, and segregate American and foreign merchandise.

Taffeta/Silk fabrics: Inspect and tag bales.

Television parts: Destroy.

Wooden beads and caps: Destroy.

Wooden furniture: Unpack, inventory, and label.

Movement of Merchandise in Fiscal Year 1980

The San Francisco zone handled 68 different commodities from 27 countries of origin, compared with 84 commodities from 36 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	10,238,458	4,706	11,974,517	5,014
Of domestic origin	742,170	471	459,360	284
Total	10,980,628	5,177	12,433,877	5,298

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Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	4,868,587	2,434
From foreign countries	7,624,128	2,068
Total	12,492,715	4,502
<i>Forwarded</i>		
To U.S. Customs territory	3,567,001	943
To foreign countries	7,472,465	3,438
Total	11,039,466	4,381

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Liquor	\$6,112,901	Liquor	4,219
Carpets and rugs	2,068,594	Electrical equipment	86
Electrical equipment ..	958,233	Carpets and Rugs	62
Sunglasses and frames.	642,299	Room deodorizers	56
Clothing	424,308	Clothing	44

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
France	\$2,442,204	United States	2,434
United Kingdom	1,776,932	United Kingdom	704
Iran	1,486,486	France	641
United States	1,334,916	Canada	184
People's Republic of China	1,282,678	People's Republic of China	163

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 2,068 short tons, valued at \$7,624,128.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$530,451.

Occupancy

The average percent of occupancy of covered space with customary allowances for aisles during the fiscal year was 85 percent. This represented 37 percent use of overall approved zone space for income producing purposes.

Income and Expenditures

Income and expenditures of the San Francisco zone for fiscal years 1979 and 1980 are shown in table 3.

Table 3.—*Summary of Income and Expenditures, San Francisco Foreign-Trade Zone and Subzone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rentals received from buildings, machines, equipment, and storage	\$283,532	\$316,719
Storage handling	59,685	82,312
Reimbursement for other expenses at Subzone No. 3A	26,132	32,654
Total	\$369,349	\$431,685
EXPENDITURES		
Salaries and wages paid to zone employees	\$ 85,636	\$ 99,993
Reimbursement to U.S. Customs Service	42,100	57,784
All other expenses	243,785	266,629
Total	\$371,521	\$424,406

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Foreign-Trade Subzone No. 3A

San Francisco, California

Grantee: San Francisco Port Commission

All operations for Subzone 3A are conducted on the third floor of Lilli Ann's textile apparel production facilities at 355 Treat Street, San Francisco. The firm is operating on a part-time basis, employing an average of 40 employees.

Although the foreign material received and forwarded from the subzone decreased during the fiscal year, the operator feels that current fashion demands will increase the company's requirements for more imported wool and natural fabrics.

Movement of Merchandise in Fiscal Year 1980

	<i>Merchandise in Subzone</i>			
	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	1,783,231	434	1,586,336	420
Of domestic origin	None	None	None	None
Total	1,783,231	434	1,586,336	420

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	None	None
From foreign countries	56,851	4
Total	56,851	4
<i>Forwarded</i>		
To U.S. Customs territory	55,746	5
To foreign countries	None	None
Total	55,746	5

The leading commodity (nonprivileged) of foreign origin received in the subzone during the year was wool/wool blends from France valued at \$56,851 and weighing 5 short tons.

Customs collection of duties on merchandise entered into U.S. Customs territory from the subzone during the fiscal year was \$18,910.

Foreign-Trade Zone No. 5 Seattle, Washington Grantee: Port of Seattle Commission

Foreign-Trade Zone No. 5, consisting of two warehouses, is located at 4100 East Marginal Way South, Seattle, Washington. It is adjacent to the Port of Seattle's massive warehouse complex that is headquarters of Overland Common Point (OCP) operations. The users of the Seattle port realize a savings of time on waterborne goods from the Orient to the United States over other Pacific Coast cities. Cargo, which moves from Seattle's foreign-trade zone to major OCP cities, can benefit from substantial savings in the cost of inland transportation because of the Port of Seattle's Consolidated Program. Under this program, the port consolidates millions of pounds of cargo weekly via rail, truck, and air at low volume rates.

During the fiscal year merchandise valued at \$3,731,265 and weighing 1,013 short tons was received in the Zone, and merchandise valued at \$3,608,256 and weighing 978 short tons was shipped from the Zone.

Use of the Zone by Business Firms

The Seattle zone served 35 business firms during fiscal 1980. Of these firms, 27 occupied zone facilities on a continuous basis, employing a limited number of persons.

Manipulations and manufacturing operations carried out in the zone included the following:

Boat Ketch 41: Open for inspection for possibility of sale.

Cartons: Opened and contents examined then repacked.

Crystallized ginger: Taken to the dump to be destroyed.

Jackets (nylon): Inspect for manufacturing problems.

Jeans (cotton): Samples taken for wash testing.

Skis: Sort and repack.

Wine bottles: Relabel to comply with Food and Drug Administration regulations.

Women's wearing apparel: Open cartons, examine, and repack.

Movement of Merchandise in Fiscal Year 1980

The zone handled 39 different commodities from 25 countries of origin, compared with 50 commodities from 26 countries during the preceding year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	1,368,938	196	1,666,283	403
Of domestic origin	82,429	126	29,915	20
Total	1,451,417	322	1,696,198	423

Movement of Merchandise During Year

	Dollars	Short tons
<i>Received</i>		
From U.S. Customs territory	196,618	309
From foreign countries	3,534,647	704
Total	3,731,265	1,013
<i>Forwarded</i>		
To U.S. Customs territory	2,607,546	552
To foreign countries	1,000,710	426
Total	3,608,256	978

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Machinery	\$1,079,922	Machinery	288
Clothing	776,064	Liquor	167
Liquor	639,108	Fishing materials	125
Fishing materials	392,779	Clothing	52
Skis	157,964	Glassware	26

The five leading countries of origin in commodities received were as follows, by value and weight:

	Value		Short tons
France	\$713,962	Belgium	199
Belgium	575,271	France	151
United Kingdom	487,507	Federal Republic of	
Republic of Korea	333,186	Germany	87
Norway	273,078	United Kingdom	66
		Taiwan	33

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 660 short tons valued at \$3,413,162.

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Occupancy

The Seattle zone consists of 24,140 square feet of covered space, 85 percent of which is occupied. The 20,293 square feet of open space is 50 percent occupied.

Income and Expenditures

Income and expenditures of the Seattle zone for fiscal years 1979 and 1980 are shown in table 4.

Table 4.—*Summary of Income and Expenditures, Seattle Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Storage	\$ 63,900.17	\$ 61,720.75
Labor	16,015.46	4,137.76
Miscellaneous	4,472.86	1,941.16
Total	\$ 84,388.49	\$ 67,799.67
EXPENDITURES		
Salaries and wages paid to zone employees	\$ 12,756.90	\$ 18,752.73
Reimbursement to U.S. Customs Service	16,331.99	16,057.15
Rental of space for zone	34,745.28	36,586.24
Administrative expense	19,059.49	26,230.70
All other expenses	22,086.16	11,842.96
Total	\$104,979.91	\$109,469.78

Foreign-Trade Zone No. 7 Mayaguez, Puerto Rico Grantee: Puerto Rico Industrial Development Co.

Foreign-Trade Zone No. 7 consists of an industrial park of approximately 42 acres in Mayaguez, Puerto Rico, operated as part of the economic development program of the Puerto Rico Industrial Development Co., an agency of the Commonwealth.

Value and tonnage of merchandise received and forwarded at the zone increased 6 percent over the preceding year, due principally to meat and sturgeon roe processing and packing.

Value of merchandise received at the zone was \$24,363,185, an increase of 19 percent. Merchandise shipped from the zone totaled \$16,655,940, a decrease of 9 percent from the preceding 12-month period. Movement of merchandise through the zone for the fiscal year totaled 5,083 short tons or 32 percent below fiscal 1979.

Firms using the zone provided an estimated cumulative annual payroll of \$2.9 million in the Mayaguez area. Since it is estimated that each payroll dollar generates an additional dollar in indirect jobs, the zone created a total of payroll of some \$5.9 million during the fiscal year.

Use of the Zone by Business Firms

The zone served five manufacturing firms during fiscal 1980. All five occupied zone facilities on a continuous basis, employing up to 400 persons—all of whom were full-time employees.

Manipulation and manufacturing operations carried out in the zone included the following:

Beef, poultry, and sea products: Cut, pack, and forward.

Buttons: Attach to wearing apparel.

Caviar: Pack and forward.

Packing material: Used for shipment from the zone.

Pharmaceuticals: (Magnesium gluconate, lidocaine hydrochloride, butorphanol tartrate, tetraclicine, tryhydrate, water ampoules, aluminum cans, kanamycin sulfate, amikacin):

Manufacture of medical products.

Textiles: (Momie cloth, cotton yarn, cotton osnaburg, towelling, napkins, bleached duck, and bleached sheeting): Manufacture of industrial uniforms, towels and napkins.

Thread: Manufacture of wearing apparel.

Movement of Merchandise in Fiscal Year 1980

The Mayaguez zone handled 22 different commodities from 16 countries of origin, compared with 25 commodities from 16 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	15,849,864	1,521	15,738,146	1,483
Of domestic origin	3,435,866	929	11,254,829	3,908
Total	19,285,730	2,450	26,992,975	5,391

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	19,562,216	5,687
From foreign countries	4,800,969	1,309
Total	24,363,185	6,996
<i>Forwarded</i>		
To U.S. Customs territory	11,743,253	2,708
To foreign countries	4,912,687	1,347
Total	16,655,940	4,055

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Caviar	\$1,602,208	Beef	601,597
Beef	1,461,068	Osnaburg	366,899
Osnaburg	655,687	Duck	146,795
Momie cloth	396,461	Momie cloth	110,139
Duck	358,750	Diaper cloth	35,239

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
United States	\$19,562,216	United States	5,686,923
Iran	1,474,259	Pakistan	436,963
Australia	972,401	Australia	355,622
Pakistan	893,260	Dominican Republic	157,332
Colombia	586,318	Colombia	150,788



Foreign-Trade Zone 7, Mayaguez, Puerto Rico. Caviar is packed in tins and glass jars at this plant.

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to two short tons, valued at \$36,441.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$269,249.

Occupancy

The average percentage of occupancy of income-producing space for the Mayaguez zone during the fiscal year was 80 percent.

Income and Expenditures

Income and expenditures of the Mayaguez zone for fiscal years 1979 and 1980 are shown in table 5.

Table 5.—*Summary of Income and Expenditures, Mayaguez Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rentals received from buildings, machines, and equipment	\$114,486	\$153,958
Total	\$114,486	\$153,958
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 40,016	\$ 36,382
Reimbursement to U.S. Customs Service	112,698	110,748
All other expenditures	71,517	106,844
Total	\$224,231	\$253,974

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Foreign-Trade Zone No. 8 Toledo, Ohio Grantee: Toledo-Lucas County Port Authority

Foreign-Trade Zone No. 8, located at 3332 St. Lawrence Drive, Toledo, Ohio 43605, is a modern 130,000 square foot general-purpose and manufacturing warehouse operated by Toledo Foreign-Trade Zone Operation, Inc. During the past fiscal year, this area was 75 percent occupied.

The larger portion of Zone tonnage arrives by waterborne carrier via the St. Lawrence Seaway and is discharged from ocean carriers by Toledo Overseas Terminal. This affiliation assures zone users expeditious and inexpensive transfer operations.

The facility is located in the 135-acre international cargo complex belonging to the Toledo-Lucas County Port Authority. Major interstate expressways and turnpike systems intersect at this site and Toledo's seven railroads make it one of the Nation's largest rail hub.

Use of the Zone by Business Firms

The Toledo zone served 14 business firms during fiscal 1980. Of these firms, 11 occupied zone facilities on a continuous basis, employing up to 54 persons at one time—34 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Chemicals: Label.

Liquor: Inspect, re Cooper, and label.

Machine parts: Inspect, inventory, label, and repack.

Metals: Alloy and smelt.

Tools: Inspect, inventory, label, and repack.

Zinc: Weigh and mark country of origin.

Movement of Merchandise in Fiscal Year 1980

The Toledo zone handled 7 different commodities from 8 coun-

tries of origin compared with 9 commodities from 11 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	10,445,018	14,466	2,196,640	1,914
Of domestic origin	253,646	514	140,998	286
Total	10,698,664	14,980	2,337,638	2,200

Movement of Merchandise During Year

Received	Dollars	Short tons
From U.S. Customs territory	1,317,693	1,633
From foreign countries	9,984,206	10,838
Total	11,301,899	12,471
Forwarded		
To U.S. Customs territory	14,683,296	24,402
To foreign countries	4,979,629	849
Total	19,662,925	25,251

The five leading commodities of foreign origin were as follows, by value and weight:

	Value	Short tons
Zinc	\$6,980,130	9,059
Liquor	1,373,406	939
Chemicals	954,176	192
Steel coils	170,033	131
Hand tools	91,664	3

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value	Short tons
Spain	\$3,364,631	4,159
Finland	2,517,826	3,222
France	1,533,102	1,683
United Kingdom	1,245,636	636
Federal Republic of Germany	460,710	225

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 6,165 short tons, valued at \$6,213,096.

Customs collection of duties on merchandise entered from the zone during this fiscal year was \$722,039.

Occupancy

The average percentage of occupancy of usable space for the Toledo zone during the fiscal year was as follows:

	Percent of total
Covered space	75
Uncovered space	18

This represented 75 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the Toledo zone for fiscal years 1979 and 1980 are shown in table 6.

Table 6.—*Summary of Income and Expenditures, Toledo Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rentals received from buildings, machines, and equipment	\$204,679	\$165,599
Storage and handling	92,829	104,840
Miscellaneous	15,193	70,719
Total	\$312,701	\$341,158
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 52,567	\$ 84,765
Reimbursement to U.S. Customs Service	52,974	99,424
Advertising and business promotion	4,575	6,475
All other expenses	173,989	222,664
Total	\$284,109	\$413,328

Foreign-Trade Zone No. 9

Honolulu, Hawaii

Grantee: State of Hawaii

Foreign-Trade Zone No. 9, operated by the Foreign-Trade Division of the State of Hawaii Department of Planning and Economic Development, marked its 14th year of continuous operation in fiscal 1980. The zone located at Pier 39, Honolulu Harbor, consists of 178,333 square feet of covered space—which houses public warehouse, private manipulation, office and exhibit areas. An additional 68,678 square feet of paved and fenced-yard area completes the zone's present primary facilities.

Currently being developed at Pier 2, in the heart of Honolulu's business district, is a new and larger zone complex, which when completed will include approximately 350,000 square feet of covered warehouse and manufacturing space, plus another 15,000 square feet of office and exhibit area. The new zone, located adjacent to the pier, which has been designated to serve ships carrying primarily foreign cargo, will offer even greater customer and community benefits due to its improved, efficient design and central location.

The fact that Hawaii Foreign-Trade Zone No. 9 is well-accepted as a positive factor within its own community is evidenced by the move in April 1980, of one of the State's larger textile converters into the zone, complete with the firm's entire operation. In August of the same year, one of Hawaii's major retailers rented space within the zone for the storage of merchandise from the People's Republic of China. From all indications, it is expected that within the next 2 years, the People's Republic of China will be one of the top five countries of origin for zone merchandise.

During fiscal 1980, the zone handled 12,098.4 short tons of merchandise valued at \$37,155,905, representing an increase of 6.4 percent over 1979. Merchandise forwarded to countries other than the United States showed a 43.7-percent increase over 1979, for a total of \$6,395,690. More than 5 percent of the merchandise received arrived by air, and most of this merchandise was later reexported.

The past year proved to be a favorable one for the zone. Its future, with new facilities currently being developed, looks even more promising both in benefits for the community that it serves and in increased use of the zone and its location as the hub of the Pacific crossroads.

Use of the Zone by Business Firms

The Honolulu zone served 211 firms during fiscal 1980. Of these firms, 123 occupied zone facilities on a continuous basis, employing up to 263 persons at one time—165 of whom were full-time.

Manipulations and manufacturing operations carried out in the zone included the following:

Advertising goods: Transfer into packages.

Beer: Inspect, verify damage, and check label.

Champagne and wine: Unpack, inspect, destroy substandard stock, and relabel cartons.

Drugs, medicines, and cosmetics: Transfer into packages.

Electrical appliances: Inventory.

Electronic products: Inventory, transfer into packages, test, and repair.

Food products: Inspect labels, sample, and destroy substandard stock for domestic and export markets.

Footwear: Unpack components and manufacture slippers.

Furniture: Renummer cartons.

General merchandise: Unpack, inventory, refinish, prepare packing list, consolidate, transfer into packages, repack, and re-address for export.

Handicrafts: Unpack, inventory, refinish, prepare and check packing list, sort, combine with domestic merchandise, and affix trade name labels.

Household articles: Inspect, prepare packing list, and transfer into packages.

Jewelry, silverware: Inspect, remove clasps and knots, transfer into packages, and repack for export.

Liquor: Unpack, inspect, consolidate, transfer zone lots, destroy substandard stock, and affix strip stamps.

Machinery: Modify.

Sporting goods and games: Transfer into packages.

Textiles: Verify contents, inspect, transfer into packages, renumber cartons, and manufacture into garments from foreign and domestic textiles for export and domestic markets, convert large rolls into smaller bolts by cutting and folding.

Trucks: Separate rear deck from chassis.

Wearing apparel: Inspect, inventory, prepare packing list, transfer into packages, and pack for reexport.

Movement of Merchandise in Fiscal Year 1980

The zone handled 231 different commodities from 37 countries of origin, compared with 247 commodities from 38 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	6,211,476	2,353	7,110,899	2,581
Of domestic origin	1,364,238	412	1,313,949	385
Total	7,575,714	2,765	8,424,848	2,966

Movement of Merchandise During Year

	Dollars	Short tons
<i>Received</i>		
From U.S. Customs territory	1,890,334	955
From foreign countries	17,093,154	5,183
Total	18,983,488	6,138
<i>Forwarded</i>		
To U.S. Customs territory	11,738,664	4,274
To foreign countries	6,395,690	1,661
Total	18,134,354	5,935

The five leading commodities of foreign origin were as follows, by value and weight:

	Value	Short tons
Liquor	\$5,374,624	1,605
Textiles and apparel ..	3,596,705	1,278
General merchandise ..	2,244,985	1,039
Food products	1,467,005	294
Electronic products	1,044,066	176

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value	Short tons
Japan	\$5,047,042	1,445
France	3,665,815	1,140
United Kingdom	2,694,702	947
United States	1,882,248	528
Taiwan	1,241,445	505

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 3,189 short tons, valued at \$13,121,186.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$1,178,922.

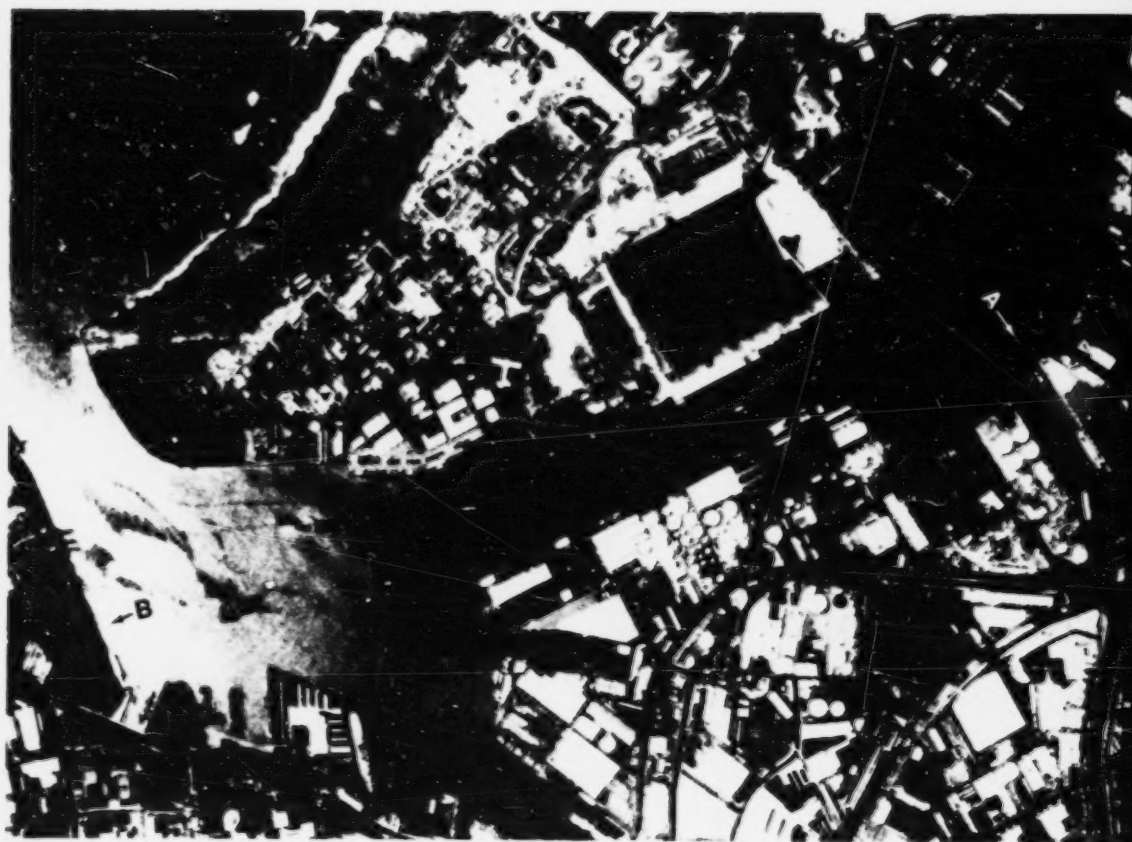


Figure 1. Trade Zone of Honolulu Harbor, Honolulu Harbor with present (A) and future (B) trade zone.

Occupancy

The average percentage of occupancy of usable space for the Honolulu zone during the fiscal year was as follows:

	<i>Percent of total</i>
Developed space	96
Undeveloped space	42

This represented 88 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the grantee of the Honolulu zone and Kaka'e grantees for the fiscal years 1979 and 1980 are shown in table 7.

Table 7.—*Summary of Income and Expenditures, Honolulu Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979*	1980
INCOME		
Zone facilities income	\$390,991	\$443,736
Harbors operation income	42,248	56,442
Fees received from Subzone 9A	52,200	58,939
Interest income	59,941	79,844
Total	\$545,380	\$638,961
EXPENDITURES		
Salaries and wages paid to zone employees .	\$295,424	\$320,524
Reimbursement to U.S. Customs Service		
for service at FTZ No. 9 and Subzone 9A ..	66,374	83,655
Special fund assessment	34,661	41,249
Depreciation	40,664	46,356
All other expenses	131,484	123,577
Total	\$568,607	\$615,361

* Income and expenditures in 1979 have been amended to reflect the following 1980 changes in accounting procedures: Interest income is reported separately in 1980; expenditure is a net figure that includes contractual reimbursement account used separately in 1979.

Foreign-Trade Subzone No. 9A— Oil Refinery Ewa, Oahu, Hawaii Grantee: State of Hawaii

Foreign-Trade Subzone 9A consists of an oil refinery, a synthetic natural gas (SNG) production plant, and a petroleum distribution and storage area. Both facilities are situated in an industrial park 22 miles west of Honolulu, with the storage area located at Honolulu International Airport. They are owned and operated by subsidiaries of Pacific Resources, Inc., an energy company based in Hawaii.

The refinery, operated by Hawaiian Independent Refinery, Inc. (HIRI), produces a variety of petroleum products—the bulk of which are sold in Hawaii, on the West Coast, and to the U.S. Government. Emphasis is on transportation fuels. Jet fuel is exported for foreign-flag airlines. The current capacity of the refinery is 67,900 barrels per day.

During the past year a number of improvements were made to refinery facilities to meet the needs of the changing crude oil supply. A sulfur removal process was added to the reformer unit and a salt dryer incorporated into the crude oil processing unit. Heating elements were placed in one crude oil-storage tank to handle the heavier crude oil which the refinery was compelled to buy. These modifications will allow more complete processing of the heavier types of crude oil now being received at the refinery.

A major addition to the refinery will be completed in mid-1981 when a new process unit, the distillate hydrocracker, will enable the refinery to significantly increase kerosene-based jet fuel production.

The hydrocracker will produce 8,000 barrels per day of commercial jet fuel to meet the growing demands of foreign and domestic airlines. The diesel fuel feedstock is presently surplus product in Hawaii and is exported to foreign countries or to the West Coast as home heating oil.

The refinery currently employs 120 persons in the subzone with over 100 contractor personnel at work on the various modification projects.



Foreign-Trade Subzone 9A, Ewa, Oahu, Hawaii. The hydrocracker complex at Hawaiian Independent Refinery, which went into operation in 1981, maximizes the production of commercial jet fuel. The \$65 million complex is the centerpiece of a major \$95 million refinery improvement project planned over the next few years.

Movement of Merchandise in Fiscal Year 1980 —Subzone 9A

Merchandise in Subzone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	18,734,274	289,602	30,399,576	414,752
Of domestic origin	64,592	69	121,142	103
Total	18,798,866	289,671	30,520,718	414,855

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	59,106,398	401,863
From foreign countries	677,591,233	2,754,549
Total	736,697,631	3,156,412

<i>Forwarded</i>	<i>Dollars</i>	<i>Short tons</i>
To U.S. Customs territory ¹	387,450,978	1,813,510
To foreign countries ²	295,528,102	1,184,472
Total	682,979,080³	2,997,982

¹ Includes \$21,312,489 destroyed or consumed as fuel within the subzone and \$23,872,859 consumed in producing SNG for the domestic market.

² Distribution of merchandise was as follows: Direct foreign exports—\$34,038,073; to carriers as bonded fuel—\$56,324,327, and \$205,165,702 to U.S. military overseas.

³ Portions of this total include effect of Federal Energy Administration (Department of Energy) regulations.

Commodities received at the subzone during fiscal 1980 were as follows:

<i>Commodity</i>	<i>Origin</i>	<i>Barrels (42 Gals.)</i>	<i>Short tons</i>
Crude oil	Foreign	19,264,953	2,754,549
Crude oil	Domestic	2,028,632	315,406
IFO	Domestic	64,261	10,885
Naphtha	Domestic	54,371	7,230
Reformate	Domestic	27,520	3,728
LSR	Domestic	325,798	40,349
Unleaded gas	Domestic	93,452	12,699
Additives	Domestic	5,012	941
Offtest	Domestic	72,499	10,625
Total		21,936,478	3,156,412

Total value of the above commodities was \$736,697,631.

Commodities forwarded from the subzone during fiscal 1980 were as follows:

<i>Commodity</i>	<i>Destination</i>	<i>Barrels (42 Gals.)</i>	<i>Short tons</i>
Liquid petroleum gas .	Interzone transfer ..	82,368	7,769
Reformate	Domestic	653,900	89,016
Naphtha	Interzone transfer ..	651,949	79,530
Naphtha	Domestic	755,628	99,914
Gasoline	Domestic	3,378,184	450,549
Jet fuel	International	4,737,281	659,381
Jet fuel	Domestic	367,073	42,160
Diesel fuel, marine ...	International	2,279,903	339,524
Diesel fuel	Domestic	1,838,956	226,931
Diesel fuel	International	651,983	97,163
Fuel oil	International	151,032	24,523
Fuel oil	Domestic	4,177,200	675,181
Transmix	Domestic	13,781	2,004
Bunker fuel	International	388,747	63,881
Refinery fuel	Within zone	717,016	90,455
Total		20,845,001	2,947,981

Total value of the above commodities was \$682,979,080.

Nonprivileged foreign merchandise received at the subzone during the fiscal year amounted to 2,754,549 short tons, valued at \$677,591,233.

Customs collection of duties on merchandise entered into U.S. Customs territory from the subzone during the fiscal year was \$690,960.

Merchandise destroyed or consumed as fuel in the subzone during the fiscal year included 90,455 short tons, valued at \$21,312,489. Naphtha and LPG transferred and consumed in producing SNG for domestic market represented 87,298 short tons, valued at \$23,872,859.

Foreign-Trade Subzone No. 9A- SNG Plant Ewa, Oahu, Hawaii Grantee: State of Hawaii

The synthetic natural gas (SNG) plant operated by Enerco, Inc., has been supplying gas for utility customers in metropolitan Honolulu since 1974. Current plant production capacity is 150,000 therms or 16.7 million cubic feet of gas per day. The sole byproduct of the plant, carbon dioxide, is imported into U.S. Customs territory and converted to dry ice and liquid carbon dioxide, supplying 100 percent of the United State's carbon dioxide needs.

During the fiscal year, the company continued in its' efforts toward increasing plant efficiency and reliability. All fuel-burning equipment in the plant has been modified to burn refinery waste gas instead of the more expensive quality naptha. Additionally, insulation was added to the tanks and pipelines to further reduce heat losses while plant instrumentation was generally upgraded.

The subzone SNG plant presently includes 41 full-time employees.

Movement of Merchandise in Fiscal Year 1980

Merchandise in Subzone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	784,755	3,785	1,237,164	4,549
Of domestic origin	1,763	8,439	3,419	1,467
Total	786,518	12,224	1,240,583	6,016

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	14,657	37,479
From foreign countries	23,872,859	87,249
Total	23,887,516	124,728
<i>Forwarded</i>		
To U.S. Customs territory ¹	28,276,811	129,819

¹ Includes merchandise consumed as fuel (40,197 short tons valued at \$2,926,233).

Commodities received at the SNG plant during fiscal 1980 were as follows:

<i>Commodity</i>	<i>Country of Origin</i>	<i>Barrels (42 Gals.)</i>	<i>Short tons</i>
Naphtha	Interzone transfer	651,949	79,530
Water	United States	214,286	37,476
LPG	Interzone transfer	82,368	7,719
Additives	United States	16	3
Total		948,619	124,728

Total value of the above commodities was \$23,887,515.

Commodities forwarded from the SNG plant during fiscal 1980 were as follows:

<i>Commodity</i>	<i>Country of Destination</i>	<i>Amount</i>	<i>Short tons</i>
Synthetic natural gas..	United States	3,217,689 MSCF	74,053
Hydrogen	United States	517 CF	3
Carbon dioxide	United States	270,645 MSCF	15,575
Fuel gas	United States	92,766 BBLS	11,561
Carbon dioxide flared..	United States	494,205 MSCF	28,627
Total			129,819

Total value of the above commodities was \$24,276,811.

Nonprivileged foreign merchandise received at the SNG plant during the fiscal year amounted to 87,249 short tons, valued at \$23,872,859.

No privileged foreign merchandise was received at the SNG plant during the fiscal year.

Customs collection of duties on merchandise entered into U.S. Customs territory from the SNG plant during the fiscal year was \$12,326.

Merchandise destroyed or consumed as fuel in the SNG plant during the fiscal year included 40,187 short tons valued at \$2,926,233.

Foreign-Trade Zone No. 12

McAllen, Texas

Grantee: McAllen Trade Zone, Inc.

Foreign-Trade Zone No. 12 is a 40-acre industrial park and distribution center located in the McAllen Southwest Industrial area. This industrial district is 3 miles from the Republic of Mexico via the port of entry of Hidalgo, Texas. Operated by the McAllen Industrial Board, it is the only U.S. foreign-trade zone presently in operation along the U.S.-Mexican border. The zone contains a number of industrial sites available for construction or open storage, an office and display building, a number of warehouses, and buildings of individual tenants engaged in manufacturing and processing.

In a major move to provide more zone-owned space to prospective users, construction was begun on a 48,000 square-foot general-purpose manufacturing/warehousing facility. This new building is scheduled for occupancy during 1981.

The McAllen Foreign-Trade Zone continues to be one of the Nation's largest general-purpose zones in terms of dollar value of merchandise handled. Another large volume increase was experienced over the preceding fiscal year, due mainly to electronics-related business, with total dollar value of merchandise entering and leaving the zone at \$547 million or 94 percent over last year. The main countries of origin for zone shipments were Japan, Taiwan, and Mexico.

During 1980, there was further expansion of the zone's newest major tenant, Zenith Radio Corp.—a national manufacturer of consumer electronics products. Erika of Texas, Inc., a medical equipment manufacturer, increased its number of manufacturing jobs.

A new permanent tenant was General Electric Co. (GE), which involves two separate departments of GE: Specialty Motor Department (SMD) and Data Communications Products Business Department (Data Comm). GE, like Zenith before it, is providing support services in the zone to its assembly plants in nearby Mexico.

Every building in the zone was kept at full occupancy during the year. A second full-time U.S. Customs inspector was assigned to handle the increase in zone volume. During the year, negotiations were conducted with 26 prospects, most of them manufacturers, and many were foreign companies.

McAllen Industrial Board, a joint venture of the City of McAllen and the McAllen Chamber of Commerce, provided the budget and manpower for the zone's industrial development. Altogether, 1,750 new manufacturing jobs have been created either within the McAllen Foreign-Trade Zone or immediately adjacent to it.

Use of the Zone by Business Firms

The McAllen zone served 60 business firms during fiscal year 1980. Of these firms, 12 occupied zone facilities on a continuous basis, employing up to 700 persons at one time—650 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

- Air-conditioning parts:** Warehouse.
- Apparel:** Warehouse, label, and export.
- Canned goods:** Warehouse, inspect, affix stamps, and export.
- Chain machine:** Warehouse and inspect.
- Cosmetics:** Warehouse.
- Electric motors:** Warehouse and inspect.
- Furniture:** Inspect and warehouse.
- Glasswear:** Warehouse, inspect, and export.
- Household appliances:** Warehouse, inspect, and export.
- Household goods:** Warehouse, inspect, segregate, and repack.
- Jewelry:** Warehouse, inspect, repack, and export.
- Leather goods:** Inspect and warehouse.
- Liquor:** Warehouse, inspect, repack, and export.
- Machine parts:** Warehouse and inspect.
- Mechanical components:** Warehouse, inspect, and export.
- Musical instruments parts:** Warehouse, inspect repack, and export.
- Oilfield equipment:** Store and inspect.
- Perfume:** Warehouse, inspect, repack, and export.
- Personal effects:** Warehouse and inspect.
- Phonographic equipment:** Warehouse, inspect, and export.
- Photographic equipment:** Warehouse and export.
- Plastic netting:** Manufacture and warehouse.
- Porcelain:** Warehouse, inspect, repack, and export.
- Regenerated cellulose:** Manufacture and warehouse.
- Screen doors:** Warehouse and export.
- Small appliances:** Warehouse and export.

Stainless steel pipe-fittings: Manufacture and warehouse.
 Surveying equipment: Warehouse and export.
 Television parts: Warehouse, inspect, repack, label, and export.
 Textiles: Warehouse.

Movement of Merchandise in Fiscal Year 1980

The zone handled 50 different commodities from 33 countries of origin, compared with 50 commodities from 24 countries during the preceding fiscal year.

<i>Merchandise in Zone</i>				
	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	1,807,134	462	3,157,974	407
Of domestic origin	2,073,812	429	5,777,636	843
Total	3,880,946	891	8,935,610	1,250

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	205,230,288	46,866
From foreign countries	70,832,416	6,474
Total	276,062,704	53,340
<i>Forwarded</i>		
To U.S. Customs territory	157,209,091	39,577
To foreign countries	113,798,949	13,404
Total	271,008,040	52,981

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Television parts	\$46,400,361	Television parts	3,133
Cellulosic plastic material	1,331,871	Oilfield equipment	1,110
Oilfield equipment	750,524	Paperboard	554
Machinery	676,412	Machinery	278
Paperboard	463,895	Tomato paste	81

The five leading countries of origin in commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Japan	\$26,097,031	Japan	2,564
Taiwan	9,259,548	Taiwan	807
Mexico	4,797,226	Mexico	595
Canada	3,160,862	Hong Kong	324
Federal Republic of Germany	2,361,882	Canada	112



Foreign-Trade Zone 12, McAllen, Texas. Customs gate at the border community's general-purpose foreign-trade zone.

Nonprivileged foreign merchandise received at the zone during this fiscal year amounted to 5,875 short tons, valued at \$67,578,943.

Customs collection of duties on merchandise entered from the zone during this fiscal year was \$37,227.

Occupancy

The average percentage of occupancy of usable space for the McAllen zone during the fiscal year was as follows:

	<i>Percent of total</i>
Covered space	103
Uncovered space	39

This represented 36 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the McAllen zone for fiscal years 1979 and 1980 are presented in table 8.

Table 8.—*Summary of Income and Expenditures, McAllen Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
	INCOME	
Land rental	\$ 64,129	\$ 83,282
Storage	78,345	89,375
Other income	66,083	143,139
Total	\$208,557	\$315,796
	EXPENDITURES	
Salaries and wages paid to zone employees ..	\$ 53,645	\$ 79,114
Reimbursement to U.S. Customs Service ...	58,038	87,280
All other expenses	102,177	143,982
Total	\$213,860	\$310,376

Foreign-Trade Zone No. 14

Little Rock, Arkansas

Grantee: State of Arkansas

Foreign-Trade Zone No. 14 is located within an industrial park in the Little Rock Port Authority's port terminal area. During the year, 10,400 square feet of space in the zone's warehouse building was occupied, down from 17,400 square feet in fiscal 1979.

The 104,000 square foot general-purpose foreign-trade zone building continues to enjoy essentially 100-percent occupancy under a policy of activating zone space as needed, with inactive zone space used for other related purposes. Siplast, Inc., a French roofing materials company, which had used the zone while establishing its' U.S. operation, moved into its' own facility during the year. This flexibility, which maximizes use of zone buildings, is a good example of the type of management necessary to the economic viability of foreign-trade zones.

During the fiscal year ended September 30, 1980, merchandise valued at \$1,042,433 and weighing 231 short tons was received, and merchandise valued at \$1,603,481 and weighing 475 short tons was shipped from the zone.

Timex Corporation continued to use the zone for storage, inspection, and maintenance of watchmaking machinery. Timex also has used the zone for storage of watchbands manufactured in Hong Kong. The storage of machinery in the zone has been instrumental in the establishment of local jobs in that it has given Timex ample time to redistribute its manufacturing efforts, which are international in scope.

Further, the establishment by Siplast, Inc., of a manufacturing operation in nearby Arkadelphia is expected to provide several hundred jobs as well as make use of domestic raw materials and fabricated products.

Marketing efforts for the zone continue in the form of advertising and public information. The zone has become an integral part of the economic development effort for the Central Arkansas region, and the State of Arkansas as a whole.

Although they do not presently use the zone, a foreign automobile distributor and a building materials distributor have lo-

cated in the Port Authority Industrial Park in part because they anticipate needing their facilities near the zone in the future. There are other prospects currently active who are positively influenced by the presence of Foreign-Trade Zone No. 14.

During the year, the Little Rock Port Authority undertook a mass-media advertising campaign, which included advertising insertions in *Fortune*, *Business Week*, and *The Wall Street Journal*. All of these advertisements in part called attention to Foreign-Trade Zone No. 14, and it is anticipated that through these efforts use of the zone will continue and grow.

Use of the Zone by Business Firms

Foreign-Trade Zone No. 14 served two firms during fiscal year 1980.

Manipulations and manufacturing operations carried out in the zone included the following:

Machinery and accessories: Inspect, photograph, and repack.

Roofing materials: Storage and repack.

Watchbands: Storage.

Movement of Merchandise in Fiscal Year 1980

Three different commodities from three countries of origin were handled at the zone during the fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	1,258,384	620	697,046	76
Of domestic origin				
	None	None	None	None
Total	1,258,384	620	697,046	76

Movement of Merchandise During Year

<i>Received</i>		Dollars	Short tons
From U.S. Customs territory		None	None
From foreign countries		1,042,143	231
Total		1,042,143	231
<i>Forwarded</i>			
To U.S. Customs territory		1,521,641	762
To foreign countries		81,840	13
Total		1,603,481	775

The three commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Watchbands	\$850,257	Roofing material	196
Machinery and accessories	100,965	Watchbands	23
Roofing material	90,921	Machinery and accessories	12

The three countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Hong Kong	\$850,257	France	196
Portugal	100,965	Hong Kong	23
France	90,921	Portugal	12

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 231 short tons, valued at \$1,042,143.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$260,310.

Occupancy

The average percent of occupancy of covered space with customary allowances for aisles during the fiscal year was 75 percent. This represented 75-percent use of overall approved-zone space for income producing purposes.

Income and Expenditures

Income and expenditures of the Little Rock zone for fiscal years 1979 and 1980 are presented in table 9.

Table 9.—*Summary of Income and Expenditures, Little Rock Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Operating income	\$ 4,476	\$15,654
(Beginning balance)		
Rental income	6,150	19,688
Material handling	1,028	5,493
Ozarks Regional Commission Grant	4,000	—
Total	\$15,654	\$40,835
EXPENDITURES		
Reimbursement to U.S. Customs Service	\$ 1,456	\$ 2,602
Material handling expense	1,583	8,234
Debt service	6,480	13,730
All other expenses	5,424	14,743
Total	\$14,943	\$39,309

Foreign-Trade Zone No. 15

Kansas City, Missouri

Grantee: Greater Kansas City Foreign-Trade Zone, Inc.

Foreign-Trade Zone No. 15 consists of three general-purpose sites. One is an underground warehouse/processing facility and two are conventional warehouse-type buildings.

Site No. 1 has not yet been activated as a zone although Radial Warehouse Company has made a substantial investment in the site's potential for trade-zone operations.

Site No. 2, consisting of 2,815,000 square feet, is an underground location operation by Underground Development Corporation. Operated primarily as a distribution center in the first quarter of 1981, Site No. 2 will have a new and substantial economic impact in the Greater Kansas City area. A television assembly plant, previously operating overseas, will begin operations in the zone thereby creating 400 new jobs with an annual payroll of \$5.5 million. The site presently serves 72 firms, employing 165 persons with an annual payroll of approximately \$2.2 million.

During fiscal 1980, Site No. 2 showed a 77-percent increase in goods forwarded while Customs duties were up 55 percent over 1979. The dollar value of goods received and forwarded increased by 36 percent.

A unique feature of this facility is that it is heated and cooled by nature to a year-round temperature of 57 to 62 degrees Fahrenheit, resulting in an almost negligible consumption of energy for any purpose other than lighting.

The site is entered from ground level, has over 6½ miles of paved highways, can spot 80 cars on its rail facility, and is capable of servicing any truck using the interstate highway systems.

Site No. 3 is an above-ground warehouse of about 50,400 square feet operated by Airport Entrance Development Company. Located five minutes from plane offload at Kansas City International Airport, it was designed primarily as a convenience for products that move by air.

The site is presently used by Trans World Airlines for storage of domestic goods and those that have cleared Customs elsewhere.

Use of the Zone by Business Firms

Site No. 2 served 72 business firms during fiscal 1980. These firms together employed over 165 persons as full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Alcoholic beverages: Inspect, relabel damaged goods, and destroy substandard merchandise.

Chemicals: Inspect and sample.

Color televisions: Destroy merchandise not meeting Federal Communications Commission requirements.

Cosmetics: Repackage into retail boxes for shipment.

Foodstuffs: Label, sample, and repackage for shipment.

Housewares: Inspect and repack for shipment.

Machinery: Inspect and disassemble for shipment.

Semiprecious stones and lapidary supplies: Inspect, sort, and repack.

Shoes: Inspect and repack for shipment.

Sporting goods: Sort and repackage for shipment.

Wallpaper: Cut and repack for shipment.

Wicker baskets and furniture: Inspect, sort, and repack.

Movement of Merchandise in Fiscal Year 1980

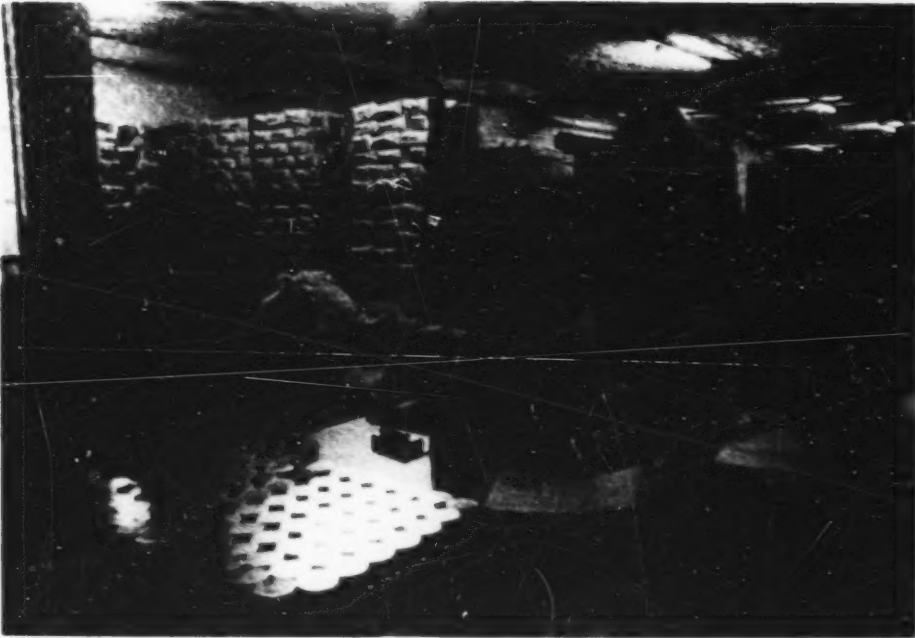
Site No. 2 handled 21 different commodities from 22 countries of origin, compared with 28 commodities from 28 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	15,336,792	4,764	19,868,655	8,287
Of domestic origin	60,711	15	194,614	81
Total	15,397,503	4,779	20,063,269	8,368

Movement of Merchandise During Year

<i>Received</i>	Dollars	tons
From U.S. Customs territory	4,360,974	2,201
From foreign countries	42,662,738	14,138
Total	47,023,712	16,339
<i>Forwarded</i>		
To U.S. Customs territory	36,228,872	12,188
To foreign countries	6,129,074	507
Total	42,357,946	12,695



Foreign-Trade Zone 15 (Site 2), Kansas City, Missouri. Labeling of jars of cosmetics within Kansas City's major zone site.

The five leading commodities of foreign origin received in Site 2 were as follows, by value and weight:

	Value		Short tons
Chemicals	\$19,194,401	Liquor	5,199
Machinery	6,947,245	Chemicals	3,127
Communications equipment	4,809,125	Housewares	2,547
Liquor	3,847,061	Food additives	541
Housewares	3,714,734	Communications equipment	495

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Federal Republic of Germany	\$28,027,519	Italy	5,530
Italy	3,396,421	Federal Republic of Germany	4,153
Taiwan	2,818,357	Spain	872
Korea	2,376,138	Denmark	629
Denmark	1,320,969	Great Britain	349

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 10,393 short tons, valued at \$20,457,232.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$3,092,564.

Occupancy

There are 2,815,000 square feet of space within Site No. 2, of which 410,630 square feet have been activated.

Income and Expenditures

Income and expenditures of the Kansas City, Missouri, and Kansas City, Kansas, zones for fiscal years 1979 and 1980 are shown in table 10.

Table 10.—*Summary of Income and Expenditures, Kansas City, Missouri, and Kansas City, Kansas, Foreign-Trade Zones—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Operating income	\$58,763	\$66,375
Customs fees assessment	32,480	23,422
Miscellaneous	6,250	1,395
Total	\$97,493	\$91,192
EXPENDITURES		
Salaries and wages paid to zone employees	\$23,322	\$37,095
Reimbursement to U.S. Customs Service	33,438	25,840
All other expenses	33,986	27,416
Total	\$90,746	\$90,351

Foreign-Trade Zone No. 17

Kansas City, Kansas

Grantee: Greater Kansas City Foreign-Trade Zone, Inc.

Foreign-Trade Zone No. 17, Kansas City, Kansas, is a general-purpose underground warehouse/distribution facility consisting of 405,000 square feet operated by Inland Storage Distribution Center. The zone actively operates 25,000 square feet of space. The zone is within a facility having 4.5 million square feet of domestic and bonded warehouse space served by truck and rail. Inland Center continues to have sales representation in Japan, Korea, and Taiwan.

Negotiations are continuing with common carriers for the updating of freight tariffs. Inland Center is concentrating on "round trip" traffic to encourage an export load for every import load received in the Foreign Trade Zone and/or U.S. Customs bond.

The dollar value of merchandise received and forwarded was \$11,286,460 or 69 percent above the preceding fiscal year while the value of nonprivileged merchandise received during the fiscal year declined by 18 percent. U.S. Customs duties collected dropped 22 percent from the previous year.

During the past years, Inland Center has become well known for its transshipment of trade, marketing, and distribution and warehousing in connection with goods handled within its Customs bonded area, as well as its public warehousing experience. Many import shipments are received and reshipped outside U.S. Customs territory.

Use of the Zone by Business Firms

The Kansas City, Kansas, zone served six business firms during fiscal 1980, none of which occupied zone facilities on a continuous basis. The zone's employees handled all zone activities.

Manipulations and manufacturing operations carried out in the zone included the following:

Aluminum air-cargo pallets: Stamp with airline I.D. numbers and restrap.

Cannon tools and accessories: Sort, repack, and ship.
 Jet engines: Test and repack for overseas shipping.

Movement of Merchandise in Fiscal Year 1980

The Kansas City, Kansas, zone handled four different commodities from four countries of origin compared with three commodities from three countries during the preceding fiscal year.

<i>Merchandise in Zone</i>				
	<i>Beginning of FY 1980</i>		<i>End of FY 1980</i>	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	3,637,502	75	1,593,510	58
Of domestic origin	None	None	1,886,640	328
Total	3,637,502	75	3,480,150	386

Movement of Merchandise During Year

	<i>Dollars</i>	<i>Short tons</i>
<i>Received</i>		
From U.S. Customs territory	1,886,640	328
From foreign countries	3,663,153	22
Total	5,549,793	350
<i>Forwarded</i>		
To U.S. Customs territory	52,506	21
To foreign countries	5,684,161	67
Total	5,736,667	88

The four leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Cannons	\$3,646,556	Cargo pallets	22
Jet engines	2,021,538	Ball bearings	17
Cargo pallets	85,000	Cannons	15
Ball bearings	46,506	Jet engines	7

The five leading countries of origin in commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
United Kingdom	\$3,646,556	United States	327
Canada	2,021,538	Norway	22
United States	1,386,640	Japan	17
Norway	85,000	United Kingdom	15
Japan	46,506		

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 22 short tons, valued at \$3,663,153.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$2,558.

Occupancy

There are 405,000 square feet of approved space within Foreign-Trade Zone No. 17, 60 percent of the covered area of which is occupied.

Income and Expenditures

A consolidated statement for the grantee appears in the report of Foreign-Trade Zone No. 15.

Foreign-Trade Zone No. 18

San Jose, California

Grantee: City of San Jose

Foreign-Trade Zone No. 18, San Jose, is located within a 375-acre business and industrial park. Both the park and Zone No. 18 were designed and developed by International Business Parks, Inc., operator of the zone, to provide a flexible mix of R & D facilities, manufacturing, warehousing and office space. The zone complex itself is located on 10 acres of the original 30-acre site and consists of approximately 135,000 square feet of facilities.

Zone No. 18 is ideally located to serve both the electronics industry in "Silicon Valley" and the entire Pacific Basin area with its close proximity to national and international transportation facilities.

With the recent Customs Ruling and Board Order 158, the zone experienced a tremendous amount of activity involving the destruction of substandard integrated circuits for duty rebate purposes. There are seven companies located in the zone that are engaged in this activity. They occupy approximately 57,000 square feet of the 135,000 square feet available.

The Customs Department recently reviewed the zone's security features pursuant to the zone's request to handle Title II-type merchandise. Upon completing some minor security improvements, it is anticipated that Customs cargo security will grant its approval.

The total value of merchandise received and forwarded increased substantially (287 percent) over the preceding fiscal year, to \$80,122,691. In fact, there are now three in-home brokers located at the facility to handle the increased activity.

The zone's public warehouse company offers attractively priced services for those with temporary or tentative use for a foreign-trade zone. For longer term users, private lease space is usually preferred for warehousing, testing, and light assembly work.

Use of the Zone by Business Firms

The zone served 107 business firms during fiscal 1980. Of these firms, 29 occupied zone facilities on a continuous basis, employing

up to 29 persons at one time—17 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

C.B. radios: Unpack, inventory, test, repair, and reship.

Color video cassette recorders: Unpack, inventory, test, repair, and reship.

Computers/Data Processing equipment: Inspect, store, or distribute.

Dental products: Unpack, verify contents, repack, label, and pack for export.

Electronic equipment: Verify contents, relabel cartons, reseal, consolidate with domestic materials, and pack for export.

Flight control instruments: Inspect, inventory, segregate, and repack.

Integrated circuits and transistors: Open packages, inventory, examine, test, destroy defective units for reclamation or duty drawback, repack and readdress.

Liquor: Inspect, replace broken bottles, fill cases, destroy broken bottles, and store.

Precious metals: Inspect, inventory, assemble, and repack.

Movement of Merchandise in Fiscal Year 1980

The zone handled 44 different commodities from 25 countries of origin, compared with 43 commodities from 27 countries during the preceding fiscal year.

	Merchandise in Zone			
	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	9,445,060	387	36,023,457	317
Of domestic origin	644,639	15	2,203,002	80
Total	10,089,699	402	38,226,459	397

Movement of Merchandise During Year

Received	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	2,902,585	132
From foreign countries	42,238,337	1,022
Total	45,140,922	1,154
Forwarded		
To U.S. Customs territory	12,071,433	742
To foreign countries	22,910,336	238
Total	34,981,769	980

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Electronic tubes (including TV)	\$11,221,849	Wood products	227
Office machines	9,638,733	Waste or scrap NSPF	179
Precious metals	6,380,155	Office machines	124
Measuring, testing, and controlling instruments	3,353,175	Footwear	113
Electrical and electronic components	3,212,893	Electronic tubes (including TV)	71

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Japan	\$21,739,669	Japan	283
Malaysia	7,641,497	People's Republic of China ...	212
Federal Republic of Germany	4,201,758	United States	132
United States	2,902,585	Malaysia	102
United Kingdom	2,432,270	Singapore	91

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 74 short tons, value at \$29,560,363.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$543,434.

Occupancy

The average percentage of occupancy of usable space during the fiscal year was 78 percent of the total space available.

Income and Expenditures

Income and expenditures of the San Jose zone for fiscal years 1979 and 1980 are shown in table 11.

Table 11.—*Summary of Income and Expenditures, San Jose Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Building leases	\$ 75,177	\$ 48,413
All other items	182,158	66,296
Total	\$257,335	\$114,709
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 40,325	\$ 16,011
Reimbursement to U.S. Customs Service	25,802	13,204
All other expenses	332,443	171,496
Total	\$398,570	\$200,711

Foreign-Trade Zone No. 21 Dorchester County, South Carolina Grantee: South Carolina State Ports Authority

As of June 1980, Foreign-Trade Zone No. 21 in Dorchester County, South Carolina, was in operation for 5 years. Consisting of 20 acres within a 200-acre industrial park, the zone is located approximately 25 miles northwest of the City of Charleston and 15 miles from the nearest container facilities operated by the South Carolina State Ports Authority.

Grantee for the project is the South Carolina State Ports Authority, while the ownership of zone facilities operative responsibilities lie with Carolina Trade Zone, a private partnership that also owns and develops other industrial properties in addition to the two foreign-trade zones in the state. Neither the South Carolina State Ports Authority nor Carolina Trade Zone receives or utilizes Federal operating subsidies of any kind.

Interest in zone facilities and services continued to indicate very real possibilities for the development of both large- and small-scale activity. Among the types of projects presently under consideration are the blending of imported chemicals for reexport, numerous textile cut and sew operations, a munitions assembly and testing facility, and an operation that would involve the assembly, repair, and distribution of imported circular saw blades.

One of the noteworthy events taking place during the year was the participation by Carolina Trade Zone representatives in overseas trade development missions to Europe and the Pacific Rim countries. Considerable interest in the foreign-trade zones, and particularly Foreign-Trade Zone No. 21 due to its proximity to deepwater port facilities, was shown by the more than 100 German, Danish, and Asian firms visited during the year. The majority of discussions held with these individuals confirmed an intent by foreign business planners to locate facilities in the United States using varying combinations of imported and U.S.-sourced components. This combined with the extremely favorable industrial development climate already available in the State of South Caro-

lina, holds great promise for development of several new foreign-trade zone activities during the coming year.

Further, in an effort to considerably enhance the competitive advantage made possible through use of Foreign-Trade Zone No. 21, Carolina Trade Zone spearheaded an effort during the year that is expected to soon result in expansion of the Charleston commercial zone limits to include the entire foreign-trade zone and other industrial facilities in the area. When approved by the Interstate Commerce Commission, this application for expanded boundaries will reduce by nearly 30 percent the cost for transfer of merchandise to and from the zone.

Although no new construction actually took place within the zone itself during the year, new facilities were located contiguous to zone boundaries for Memorex Corporation and Dormem, a joint venture between Memorex and a British firm. Utilization of the foreign-trade zone by these firms is not included in immediate plans; however, it is expected that future opportunities may arise.

Use of the Zone by Business Firms

Foreign-Trade Zone No. 21 served 18 business firms during fiscal 1980. Of these firms, 3 occupied zone facilities on a continuous basis, employing up to 33 persons at one time—15 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Amberlite: Inventory, recouper, and distribute.

Automotive parts: Recouper, inventory, and distribute.

Bags and sacks of man-made fibers: Recouper, inventory, and distribute.

Cardwaste: Warehouse and distribute.

Carpet: Warehouse, sort, inventory, display, repack, and distribute.

Champagne: Recouper, inventory, and distribute.

Cherry Danish wine: Inventory and distribute.

Coal resin: Inventory and distribute.

Cotton terry towels: Inventory, sample, and repack.

Gum, resin, and dycol: Inventory, recouper, and distribute.

Liquor: Inspect, repack, and distribute.

Locust bean gum: Inventory, recouper, and distribute.

Menthol: Test, sample, and consolidate.

Mohair noils: Grade, sample, and core.

Napthol: Recouper, inventory, and distribute.

Nylon jackets and caps: Relabel, repack, and sort.

Nylon and rayon staple fiber: Warehouse and distribute.

Particle board: Inventory, sample, segregate, recouper, and distribute.

Plastic bags: Recouper, inventory, and distribute.

Rubber: Test, inventory, grade, segregate, and distribute.

Sherry: Inventory, recouper, and distribute.

Spinnerets: Recouper, inventory, and distribute.

Spunbonded polypropylene fabric: Warehouse and distribute.

Stainless steel strip: Warehouse and distribute.

Tarpaulins and covers: Warehouse, inventory, and distribute.

Textile machinery and parts: Segregate, repair, relabel, and inventory.

Wine: Inspect, repack, and distribute.

Wool: Sample, consolidate, grade, and core.

Yarn: Segregate and distribute.

Movement of Merchandise in Fiscal Year 1980

The zone handled 29 different commodities from 18 countries of origin, compared with 20 commodities from 23 countries during the preceding fiscal year.

Merchandise in Zone

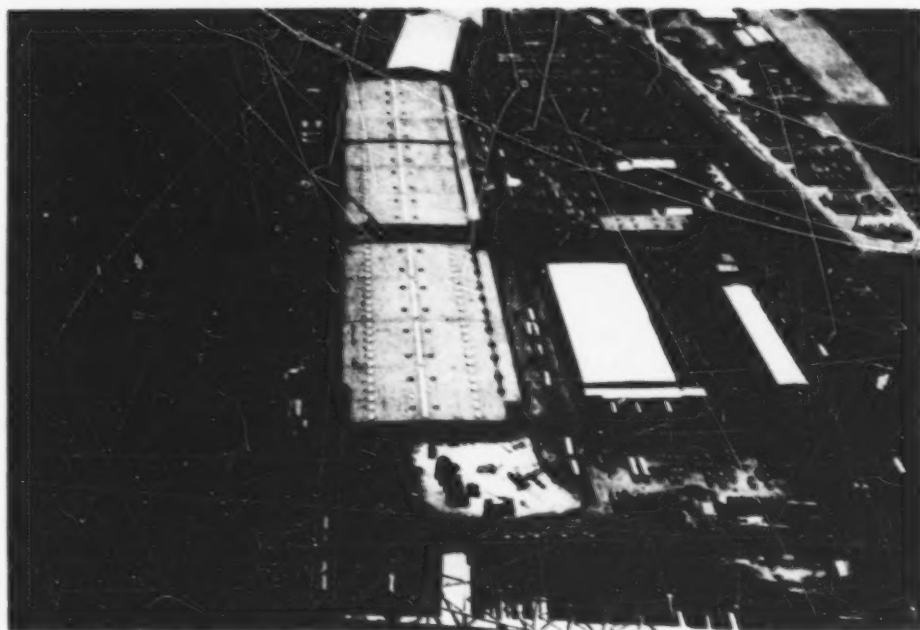
	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	12,637,095	6,993	549,860	264
Of domestic origin	2,433,740	977	None	None
Total	15,070,835	7,970	549,860	264

Movement of Merchandise During Year

<i>Received</i>	Dollars	Short tons
From U.S. Customs territory	3,460,660	683
From foreign countries	6,372,379	1,361
Total	9,833,039	2,044
<i>Forwarded</i>		
To U.S. Customs territory	24,023,088	9,619
To foreign countries	330,926	130
Total	24,354,014	9,749

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Cotton terry towels	\$2,459,752	Cotton terry towels	489
Menthol	1,007,733	Wines	461
Wool noils	854,544	Wool noils	282
Textile machine parts ..	830,569	Scoured wool	190
Wines	539,106	Menthol	150



Foreign-Trade Zone 21, Dorchester County, South Carolina. The Port of Charleston is served by the area's zone in nearby Dorchester County.

The five leading countries of origin in commodities received were as follows, by value and weight:

<i>Value</i>		<i>Short tons</i>	
United States	\$3,460,660	United States	683
Federal Republic of Germany	1,151,261	France	224
New Zealand	565,146	Federal Republic of Germany	185
France	487,452	New Zealand	173
Australia	374,822	Hong Kong	142

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 182 short tons valued at \$1,466,710.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$1,377,500.

Occupancy

Foreign-Trade Zone No. 21 currently consists of a 192,000 square foot warehouse/processing facility. The zone's activated area currently consists of 30,000 square feet, and the average occupancy rate during the year was 93 percent. Carolina Trade Zone along with the U.S. Customs Service occupied a 1,000 square foot office building situated at the zone entrance during the year.

Income and Expenditures

Income and expenditures of Foreign-Trade Zones No. 21 and No. 38 for fiscal years 1979 and 1980 are presented in table 12.

Table 12.—*Summary of Income and Expenditures, Foreign-Trade Zones No. 21 and No. 38—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rental	\$317,337	\$347,235
Storage and handling	44,499	38,808
Other income	27,327	None
Total	\$389,163	\$386,043
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 44,263	\$ 59,587
All other expenses	344,591	432,184
Total	\$388,854	\$491,771

Foreign-Trade Zone No. 22 Chicago, Illinois Grantee: Chicago Regional Port District

The Chicago zone completed its third year of operation on September 30, 1980. The zone consists of 48,000 square feet and 48,000 square feet of domestic general-purpose warehouse space.

Trade Zone Distribution ceased functioning as the operator of the zone on November 1, 1980, due to reorganization of business. As of that date, Chicago Regional Port District has been the operator. Trade Zone Distribution remains the leaseholder for the 25 acres of vacant property, which is also designated for foreign-trade zone use. Two proposals remain outstanding for the construction of manufacturing facilities on a part of the 25 acres. Total investment would be \$5 million with a projected employment of 100 people.

Use of the Zone by Business Firms

The Chicago zone served 25 business firms during fiscal 1980. Of these firms, 23 occupied zone facilities on a continuous basis, employing up to 6 persons at one time—3 of whom were full-time employees.

There were no manufacturing or manipulation operations carried out in the zone.

Movement of Merchandise in Fiscal Year 1980

The zone handled 17 different commodities from 13 countries of origin, compared with 18 commodities from 11 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	3,380,611	2,016	6,839,245	1,660
Of domestic origin	1,598,928	507	2,560,984	936
Total	4,979,539	2,523	9,400,229	2,596

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	2,834,758	2,174
From foreign countries	22,963,453	4,965
Total	25,798,211	7,139
<i>Forwarded</i>		
To U.S. Customs territory	17,923,599	5,351
To foreign countries	108,300	54
Total	18,031,899	5,405

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Steel	\$20,465,170	Steel	5,775
China	1,083,097	China	334
Clothing	396,019	Liquor	300
Computer parts	360,916	Silicon	120
Liquor	331,558	Chocolate	120

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Romania	\$18,407,909	Romania	2,687
Federal Republic of Germany	1,781,679	Spain	2,104
Japan	1,077,825	Japan	817
Spain	839,406	Federal Republic of Germany	567
People's Republic of China	287,433	Poland	172

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 1,660 short tons, valued at \$6,839,245.

Occupancy

There are 100,000 square feet of warehouse space within Foreign-Trade Zone No. 22, 70,000 square feet of which was occupied during the fiscal year. None of the outdoor space was occupied.

Income and Expenditures

Income and expenditures of the Chicago zone for fiscal years 1979 and 1980 are shown in table 13.

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Table 13.—*Summary of Income and Expenditures, Chicago Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Rentals received	\$ 98,531	\$ None
Storage	323,047	112,644
Handling	79,352	83,173
Total	\$500,930	\$195,817
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 94,816	\$147,142
Reimbursement to U.S. Customs Service	16,868	7,786
All other expenses	289,942	139,672
Total	\$401,626	\$294,600

Foreign-Trade Zone No. 23

Buffalo, New York

Grantee: County of Erie

Foreign-Trade Zone No. 23, which is operated by the Buffalo Foreign-Trade Zone Operators, Inc., consists of two sites. Site I is located at 901 Fuhrmann Boulevard, Buffalo, within the Buffalo Port Terminal complex. Situated near the Canadian border and within Buffalo's port, with access to Atlantic shipping via the St. Lawrence Seaway, the zone is an ideal point for transshipments and distribution of goods to the Northeastern United States and to Canada. Site II, occupying 32 acres of land, is located on the 240-acre Wherle Drive International Park in the town of Amherst, New York, adjacent to the Greater Buffalo International Airport. Construction is scheduled to start in early 1981 on a multi-tenant building and other buildings designed to specifications for Canadian and other firms from overseas.

As a result of the operators' promotional activities and the ever-growing demand from Canada and overseas, a further expansion of the zone has become necessary. The County of Erie is preparing a new application in order to expand its zone operations into the City of Buffalo with two additional sites (Site III and Site IV) at the Oak-Michigan Industrial Corridor and Reno Street in the redevelopment of the former American Standard Complex.

Services offered by the operators includes cargo-handling, stevedoring, packaging and export-packaging, cleaning, sorting, inventory control, telex and telephone answering services, distribution, office-help, labor-pool and consultation. Besides water, rail, and first-class highway connections, the zone is served by all major motor-carriers and U.S. airlines.

The zone operators also have established an intensive working relationship with some leading international freight forwarders, financial institutions, and marine insurance companies.

The zone was used during the fiscal year mainly for distribution and storage purposes, as a natural consequence of its location on the Canadian border. Certain manipulations and assembly operations also were conducted in the zone—mainly in the form of

repackaging, relabeling and marking shipments with the country of origin.

The zone operators are able to invite foreign industries and commercial establishments to relocate into Erie County with the many incentives offered by New York State in taxation and labor-training, and the helping services offered for interested parties by the Buffalo Area Chamber of Commerce and by the Erie County and Amherst Industrial Development Agencies.

Use of the Zone by Business Firms

The Buffalo zone served 29 business firms during fiscal 1980. Of these firms, 24 occupied zone facilities on a continuous basis, employing up to 142 persons at one time—34 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Aircraft engines: Store and inspect.

Chemicals: Repair containers, relabel, and distribute.

Couplings: Inspect and distribute.

Electronic equipment: Verify content and relabel.

Giftware: Mark, label, and store.

Heavy tool machinery: Inspect, assemble, clean, inventory, repack, and reexport.

Household goods: Repack and distribute.

International prevention of conception articles: Store, repack, and distribute.

Jewelry: Store for reexportation.

Leather: Inspect, cut-to-order, inventory, and distribute.

Machine tool parts: Store, repack, and distribute.

Office equipment: Relabel, store, and distribute.

Oriental carpets: Exhibit and store.

Paper products (disposable): Store and distribute.

Show trailers: Store, repair, and clean.

Sporting goods: Store, repack, and auction.

Swimming pools: Assemble, repack, and store.

Women's apparel: Repack, disassemble, store, and distribute.

Women's shoes: Repack, reexport, and distribute.

Movement of Merchandise in Fiscal Year 1980

The Buffalo zone handled 20 different commodities from 9 countries of origin, compared with 38 commodities from 18 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	3,925,896	3,981	6,721,145	4,553
Of domestic origin	252,740	78	171,547	106
Total	4,178,636	4,059	6,892,692	4,659

Movement of Merchandise During Year

Received	Dollars	Short tons
From U.S. Customs territory	420,178	126
From foreign countries	4,445,948	999
Total	4,866,126	1,125
Forwarded		
To U.S. Customs territory	1,843,564	427
To foreign countries	308,506	98
Total	2,152,070	525

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Tool machines	\$3,012,114	Tool machines	1,097
Upholstery leather	655,561	Machine tool parts	41
Ladies swimwear	559,994	Upholstery leather	32
Machine tool parts	422,722	Ski equipment	31
Ski equipment	235,149	Chemicals	20

The five leading countries of origin in commodities received were as follows, by value and weight:

	Value		Short tons
German Democratic Republic	\$2,745,736	German Democratic Republic	986
Italy	1,215,495	United States	126
Czechoslovakia	534,354	Federal Republic of Germany	62
United States	422,597	Canada	53
Canada	344,987	Czechoslovakia	50

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 998 short tons, valued at \$1,819,534.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$418,383.

Occupancy

The average percentage of usable activated space for the Buffalo zone during the fiscal year was 82 percent.

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Income and Expenditures

Income and expenditures of the Buffalo zone for fiscal years 1979 and 1980 are shown in table 14.

Table 14.—*Summary of Income and Expenditures, Buffalo Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Space rental	\$ 93,090	\$125,477
Storage	19,861	22,328
Other income	57,819	117,127
Total	\$170,770	\$264,932
EXPENDITURES		
Salaries and wages paid to zone employees	\$ 61,303	\$ 77,737
Reimbursement to U.S. Customs Service ..	1,601	1,296
All other expenses	91,386	175,656
Total	\$154,290	\$254,689

Foreign-Trade Zone No. 24 Wilkes-Barre, Pennsylvania Grantee: Eastern Distribution Center, Inc.

Foreign-Trade Zone No. 24 is a general-purpose, 42 acre zone located within the International Trade Center of Pennsylvania, adjacent to the Wilkes-Barre/Scranton International Airport and midway between the cities of Wilkes-Barre and Scranton.

During fiscal 1980, the zone's principal activity consisted of domestic and foreign shipments of solid-state devices received at the RCA Solid State Division's 30,000-square foot facility located on a 3.5-acre site within the zone. The remaining acreage (38.5 acres) is available for expansion and use by prospective zone users. During the year, substantial site improvement work was completed in the zone area to make the individual sites suitable for zone users.

Merchandise valued at \$142 million and weighing 1,231.75 short tons was shipped from the zone during the year. At the end of the fiscal year, \$4 million worth of merchandise weighing 29.25 short tons remained in the zone.

Use of the Zone by Business Firms

The zone served one business firm during fiscal 1980. This firm occupied zone facilities, employing up to 55 persons at one time—all of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Solid-state devices: Distribute.

Movement of Merchandise in Fiscal Year 1980

The Northeastern Pennsylvania zone handled one different commodity from two countries of origin, compared with two commodities from four countries during the preceding fiscal year.

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Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	4,000,000	49	1,000,000	10
Of domestic origin	4,000,000	26	3,000,000	20
Total	8,000,000	75	4,000,000	30

Movement of Merchandise During Year

Received		Dollars	Short tons
From U.S. Customs territory		58,000,000	364
From foreign countries		84,000,000	868
Total		142,000,000	1,232
Forwarded			
To U.S. Customs territory		78,000,000	793
To foreign countries		67,000,000	475
Total		145,000,000	1,268

The only commodity of foreign origin was as follows, by value and weight:

	Value	Short tons
Solid-state devices	\$84,000,000	868

The leading countries of origin of the commodity received were as follows, by value and weight:

	Value	Short tons
Malaysia	\$56,000,000	601
United States	58,000,000	364
Taiwan	28,000,000	267

No nonprivileged foreign merchandise was received at the zone during the fiscal year.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$2,248,274.

Occupancy

One hundred percent of the developed zone area was occupied for income-producing space.

Income and Expenditures

Income and expenditures of the Northeastern Pennsylvania zone and subzone for the fiscal years 1979 and 1980 are shown in table 15.

Table 15.—*Summary of Income and Expenditures, Northeastern Pennsylvania Foreign-Trade Zone and Subzone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Building leases	\$ 73,710	\$134,082
Reimbursement to U.S. Customs Service	28,885	32,271
Land rental	4,350	10,050
Fees received from Subzone 24A	8,333	20,000
Operating income	9,425	18,000
Reimbursement to U.S. Customs Service for Subzone 24A	11,132	23,220
Other income	1,300	None
Total	\$137,135	\$237,623
EXPENDITURES		
Salaries and wages paid to zone employees ..	\$ 13,902	10,995
Reimbursement to U.S. Customs Service	28,885	32,271
Reimbursement to U.S. Customs Service for Subzone 24A	11,132	23,220
All other expenses	112,940	163,516
Total	\$166,859	\$230,002

Foreign-Trade Subzone No. 24A Harrisburg, Pennsylvania Grantee: Eastern Distribution Center, Inc.

Subzone No. 24A, located at 2800 Valley Road in Harrisburg, Pennsylvania, is operated by the Olivetti Corporation of America. This special-purpose subzone was established for the Olivetti Corporation's typewriter assembly operation to help correct a technical Customs situation that would have caused the company to move its operation overseas to duty-free status on its product sold in the U.S. market.

Within the 4,000-square foot, activated subzone area, separate typewriter parts are entered and stored until they are classified as completed sets "entireties concept." Once it is determined to be a completed typewriter, it is withdrawn from the subzone at a lower rate of duty than the original imported parts.

The Pennsylvania Department of Commerce and the U.S. Customs Service were instrumental in aiding and directing the Olivetti Corporation in receiving subzone status for the Harrisburg Port of Entry.

Use of the Subzone by Business Firms

The subzone served one business firm during fiscal 1980, employing up to 27 persons at one time—all of whom were full-time employees.

Manipulation and manufacturing operations carried out in the subzone included preassembly of typewriter parts.

Movement of Merchandise in Fiscal Year 1980

Subzone No. 24-A handled one commodity from three countries of origin.

Merchandise in Subzone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	N.A.	N.A.	1,450,000	50
Of domestic origin	N.A.	N.A.	None	None
Total	N.A.	N.A.	1,450,000	50

Movement of Merchandise During Year

	<i>Dollars</i>	<i>Short tons</i>
<i>Received</i>		
From U.S. Customs territory	3,200,000	97
From foreign countries	6,600,000	234
Total	9,800,000	331
<i>Forwarded</i>		
To U.S. Customs territory	7,700,000	255
To foreign countries	700,000	26
Total	8,400,000	281

The only commodity of foreign origin was as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Typewriter parts	\$6,600,000	234

The leading countries of origin of the commodity received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Italy	\$6,200,000	Italy	202
United States	3,300,000	United States	97
Japan	400,000	Japan	32

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 234 short tons, valued at \$6,600,000.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$210,510.

Occupancy

One hundred percent of the activated zone space was occupied for income-producing space.

Foreign-Trade Zone No. 25

Port Everglades, Florida

Grantee: Port Everglades Authority

Fiscal Year 1980 concludes the second full year of operation at the permanent facility of Foreign-Trade Zone No. 25. This facility is located on an 82-acre site within Port Everglades.

Foreign-Trade Zone No. 25 is the property of Port Everglades Authority, the grantee, and is operated by the Port Everglades Authority as a public utility under Foreign-Trade Zones Board Regulations.

The first phase of development of Foreign-Trade Zone No. 25 involved the preparation of approximately 30 acres of land. Of this acreage, 10 acres in the front of the zone have been set aside for the development of an executive office building/exhibition complex, with groundbreaking scheduled to start early in 1981; and, 20 acres have been fenced and buildings constructed as the "operations area" of Foreign-Trade Zone No. 25.

Presently, within the 20-acre site are two modern warehouse buildings totaling 140,000 square feet and a security/customs building at the warehouse facilities. They are available to zone users on a short- or long-term basis. Space available varies from 1,400 square feet to 110,000 square feet.

The zone presently operates a public warehouse facility, which offers zone users warehousing and accessorial services without the need of entering into long-term leases. This facility was established as a result of the identification of a need for a facility where potential zone users could utilize the foreign-trade zone on a "try and see" basis. Although it is the primary intention of the zone to attract private warehouse operators, zone management has, in the meantime, operated this facility. It is expected that the public warehouse operation will be privately operated within the first half of 1981. Since exclusivity is prohibited within the zone, it is also possible that more than one public warehouse could emerge as the need arises.

Additionally, there are 52 acres of undeveloped property adjoining the activated acreage that is part of the zone and is set aside

for future expansion. At present, this open area is being used for outside storage. The zone's second manufacturing operation was located recently in a temporary building on this property.

Due to rapid growth during fiscal 1980, it is projected that an additional warehouse building of approximately 100,000 square feet will have begun construction during fiscal 1981. In addition, a private developer has indicated interest in constructing a smaller warehouse of approximately 30,000 square feet for rental to zone users. This project also is expected to begin during fiscal 1981.

The zone's offers a wide array of convenient modes of transportation. Being located within a major international seaport, the zone is approximately 1,500 feet from shipping facilities. In addition, air service is available at the Ft. Lauderdale/Hollywood International Airport less than 2 miles away. The Miami International Airport and Seaport also are available and are approximately a 25-minute drive from the zone via expressways located nearby.

Railroad services offered by Florida's two major railways, the Seaboard Coast Line/Louisville and Nashville Railroad and the Florida East Coast Railway, are available at various locations in the Port and adjacent to the zone. Future plans include railroad service into the zone as soon as this need is indicated by zone users.

Although the initial utilization of Foreign-Trade Zone No. 25 was primarily for warehousing and international distribution, efforts to attract manufacturing, assembling, and manipulation operations are beginning to bear fruit. Two manufacturing operations were added to the list of tenants in Foreign-Trade Zone No. 25 during fiscal 1980.

Use of the Zone by Business Firms

The zone served 33 business firms during fiscal 1980. Of these firms, 21 occupied zone facilities on a continuous basis employing up to 140 persons at one time—125 of whom were full-time employees.

There were no manufacturing or manipulation operations carried out in the zone.

Movement of Merchandise in Fiscal Year 1980

The Port Everglades zone handled 33 different commodities from 44 countries of origin, compared with 25 commodities from 32 countries during the preceding fiscal year.

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Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	3,402,457	347	2,672,483	1,054
Of domestic origin	9,745,259	779	16,123,450	5,431
Total	13,147,716	1,126	18,795,933	6,485

Movement of Merchandise During Year

Received	Dollars	Short tons
From U.S. Customs territory	35,919,633	9,213
From foreign countries	6,718,139	3,254
Total	42,637,772	12,467
Forwarded		
To U.S. Customs territory	29,541,442	4,561
To foreign countries	7,448,113	3,961
Total	36,989,555	8,522

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Tires	\$3,147,332	Glass	3,110
Office machines	3,143,974	Tires	1,455
Television and parts ...	2,819,658	Ceramic tiles	1,030
Men's clothing	1,672,049	Office machines	715
Glass	748,801	Television and parts	438

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
United States	\$32,876,616	United States	5,653
Taiwan	1,356,833	Romania	2,584
France	1,251,452	France	2,473
Romania	1,232,376	Federal Republic	
Bulgaria	1,103,194	of Germany	356
		Italy	328

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 3,244 short tons, valued at \$6,653,300.

Occupancy

Of the 140,000 square feet of zone space, 94,000 square feet was occupied on a permanent basis and 46,000 square feet was occupied by various users on a temporary basis.

Income and Expenditures

Income and expenditures of the Port Everglades zone for the fiscal years 1979 and 1980 are shown in table 16.

Table 16.—*Summary of Income and Expenditures, Port Everglades Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Operating income	\$190,544	\$386,491
Total	\$190,544	\$386,491
EXPENDITURES		
Salaries and wages paid to zone employees..	\$ 99,140	\$ 90,957
Reimbursement to U.S. Customs Service	10,205	24,700
All other expenses	118,145	108,781
Total	\$227,490	\$224,438

Foreign-Trade Zone No. 26

Shenandoah, Georgia

Grantee: Georgia Foreign-Trade Zone, Inc.

Foreign-Trade Zone No. 26 is a general-purpose zone located in Shenandoah, Coweta County, Georgia, 25 miles south of Atlanta's International Airport. The zone is within the Industrial Park of the New Town, Shenandoah, on a 33-acre site with all utilities and railroad service in place. Presently, a 50-000-square foot warehouse is available for general storage and light manufacturing.

Fiscal 1980 was the second full year of operation, and the year showed increases in operations as demonstrated by the substantial increase of duty collection by the U.S. Customs Service.

The operation of the zone had an economic impact on the area considerably beyond just benefitting the users of the zone. One direct benefit was the location in the Shenandoah Industrial Park, which is in the vicinity of the zone, of a machinery assembly plant employing 90 people. The location of two other companies in the Industrial Park during the fiscal year can, at least in part, also be attributed to the availability of the zone. One company in the zone manipulates orange juice concentrates to qualify for lowest possible duty payment. This added substantially to the permanent employment.

The sales promotion of the zone is carried out in connection with Georgia's and Shenandoah's programs to encourage economic development. The State promoted the zone on several trade missions to the Far East and Europe and simultaneously utilized the foreign-trade zone concept as an added incentive for location of industries.

Locally, the zone is promoted through presentations at seminars, trade meetings, advertising, and direct contacts. Considerable assistance is provided by the Atlanta Consular Corps, foreign-trade missions, the Georgia Chamber of Commerce, the Georgia Department of Industry and Trade, international divisions of local banks, foreign banks, international accounting firms, and other entities involved in industrial development.

Plans for the next fiscal year include an increased effort to utilize the zone for assembly and manufacturing purposes and to aid the exporting industry.

Use of the Zone by Business Firms

The zone served eight business firms during fiscal year 1980. Of these firms, five occupied zone facilities on a continuous basis, employing up to nine persons at one time—seven of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Orange juice concentrate: Manipulate.

Sweaters: Repack and label.

Movement of Merchandise in Fiscal Year 1980

The zone handled 9 different commodities from 6 countries of origin, compared with 10 commodities from 9 countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	1,431,236	450	410,564	88
Of domestic origin	544,199	130	15,945	3
Total	1,975,435	580	426,509	91

Movement of Merchandise During Year

<i>Received</i>	Dollars	Short tons
From U.S. Customs territory	1,961,883	543
From foreign countries	1,088,808	252
Total	3,050,691	795
<i>Forwarded</i>		
To U.S. Customs territory	3,950,766	1,072
To foreign countries	648,850	212
Total	4,599,616	1,284

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Sweaters	\$525,174	Denim cloth	47
Denim cloth	288,024	Wine	40
Machinery	138,092	Sweaters	30
Wine	40,455	Lacquer chips	22
Lacquer chips	39,416	Orange concentrate	20

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The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
United States	\$1,961,883	United States	543
England	525,174	People's Republic of China	99
People's Republic of China	292,010	France	50
Federal Republic of Germany	177,508	Federal Republic of Germany	35
France	47,516	England	30

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 181 short tons, valued at \$1,018,026.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$165,104.

Occupancy

The average percentage of occupancy of space with customary allowances for aisles during the fiscal year was as follows:

Covered space	60 percent
Uncovered space	64 percent

This represented 63 percent use of overall space for income-producing purposes.

Income and Expenditures

Income and expenditures of the Shenandoah zone for fiscal years 1979 and 1980 are presented in table 17.

Table 17.—*Summary of Income and Expenditures, Shenandoah Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Assessments from building space occupied	\$ 7,600	\$ 7,600
Storage and handling	14,779	15,560
Total	\$22,379	\$23,160
EXPENDITURES		
Salaries and wages paid to zone employees	\$16,543	\$25,875
Reimbursement to U.S. Customs Service	1,475	1,529
All other expenses	5,164	18,873
Total	\$23,182	\$46,277

Foreign-Trade Zone No. 27

Boston, Massachusetts

Grantee: Massachusetts Port Authority

Foreign-Trade Zone No. 27 is located on the waterfront, a half-mile from downtown Boston. Operations began on September 12, 1980, at Site No. 1 at Commonwealth Pier Five. The 40,000 square feet of covered and heated warehouse space is the first area to be activated in the 800,000 square foot terminal building. Foreign-Trade Zone No. 27 also includes 20 acres of vacant land across the street from Site No. 1 at Commonwealth Flats. The third site is a 10-story building within the 163-acre Boston Marine Industrial Park.

As the grantee, the Massachusetts Port Authority has assumed the primary responsibility for the marketing program. An advertising campaign is being prepared as well as a seminar presentation for prospective customers in the New England region. Marketing efforts to date have identified the Massachusetts high-technology industry as an important market. Massport's capacity to market the zone extends to its overseas offices in Japan and Brussels as well as its branch office in New York City.

The zone was in operation for 2 weeks during fiscal 1980. In that period, one foreign commodity valued at \$18,600 and weighing 4.39 short tons was received at the zone. No domestic goods were received. The zone employs one person on a full-time basis as the manager and utilizes a 24-hour security detail.

Although no manufacturing operations are presently located in Foreign-Trade Zone No. 27, the grantee and Site No. 1 operators, Boston Foreign-Trade Zone, Inc., are examining various methods to assist companies in claiming duty drawbacks.

Special subzone 27A is located in the city of Fall River, approximately 65 miles south of Boston. Approval of the subzone for export operations was granted in July 1980 to the Sterlingwale Corporation, which manufactures corduroy. The subzone was not activated in fiscal 1980.

Use of the Zone by Business Firms

The zone served two business firms during fiscal 1980. One occu-

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pied zone facilities on a continuous basis, employing up to two persons at one time—one of whom was a full-time employee.

No manipulation or manufacturing operations were carried out in the zone.

Movement of Merchandise in Fiscal Year 1980

The zone handled one commodity from one country of origin.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	None	None	18,600	4.39
Of domestic origin	None	None	None	None
Total	None	None	18,600	4.39

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	None	None
From foreign countries	18,600	4.39
Total	18,600	4.39
<i>Forwarded</i>		
To U.S. Customs territory	None	None
To foreign countries	None	None
Total	None	None

The only commodity of foreign origin was as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Rubber stripping	\$18,600	4.39

The country of origin of the commodity received was as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Austria	\$18,600	4.39

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 4.39 short tons, valued at \$18,600.

Occupancy

The average percentage of occupancy of space with customary allowances for aisles during the fiscal year was as follows:

	<i>Percent</i>
Covered space	.09
Uncovered space	0

This represented .03 percent use of overall zone space for income-producing purposes.

Income and Expenditures

No financial statement was submitted since the zone was in operation less than 1 month of the fiscal year.

Foreign-Trade Zone No. 32

Miami, Florida

Grantee: Greater Miami Foreign-Trade Zone, Inc.

The Greater Miami Foreign-Trade Zone, Inc., a nonprofit corporation affiliated with the Greater Miami Chamber of Commerce, grantee for U.S. Foreign-Trade Zone No. 32, received its authorization to develop and operate a foreign-trade zone in Dade County, Florida, on September 6, 1977. The zone is being developed and operated under the terms of a contract between Greater Miami Foreign-Trade Zone, Inc., and the Miami Free Corporation, a private Florida corporation. It is located on a 73-acre tract of land approximately 5 miles west of Miami International Airport and 15 minutes by expressway from the Port of Miami and the downtown central business district of Miami.

The zone became operational April 16, 1979, with space leased to firms from all over the world.

The completed phase includes two warehouse buildings, each 998 feet long. The two covered warehouse buildings are divided into 60 5,000-square foot modular units—each completed with mezzanine office area, truck loading facilities, and employee's entrances.

The mall exhibition areas are centrally located on the third floor of each of the warehouse buildings and divided into 116 showrooms ranging from 540 to 1,600 square feet.

At the end of this fiscal year, 90 percent of the net leasable area in the zone had been leased. The 125 companies located in Foreign-Trade Zone No. 32 are engaged in trading operations. They view Miami as the major focal point for marketing and distribution from Europe and Asia into South America and the Caribbean, and vice-versa. There are few companies that will actually be manufacturing or assembling products.

Services provided by the zone to all tenants include maintenance and repair, cleaning and trash removal of all common areas, security of plant and merchandise, and U.S. Customs Service supplement security on a round-the-clock basis. Electricity for zone lighting and parking lots also is provided. Common areas and

showrooms are air-conditioned, with fire systems and utilities furnished. Customs inspectors and auxiliary personnel are permanently assigned to the zone. Computerized bookkeeping and inventory control service (A.I.C.S.), approved by Customs, implements the management of the inventory recordkeeping function.

Other services—such as international and local commercial banking facilities, insurance brokers, restaurants, travel offices and freight forwarders services—are housed in the office building adjacent to the zone.

The Miami Free Zone Corporation currently employs 65 people at the zone site. The zone created permanent employment directly or indirectly for 1,500 people. Traffic of buyer/visitors for this year was 25,000.

There is a second phase development in the works, which will contain a third warehouse building following the same architectural design as those already completed.

Although the full impact of the Miami Foreign-Trade zone on the economy of Florida is difficult to measure, this project was timely. The Miami zone has stimulated great interest, especially in Europe, because of the facilities this area provides.

In Miami, more than 40 of the world's largest banks have offices, over 50 percent of the population is bilingual (Spanish-English) with 150 Latin headquarters offices located in South Florida. The port handles 3 million tons of cargo a year and will expand to handle 15 million tons yearly by 1990. Miami International Airport is one of the world's foremost in international traffic—with more than 400 all cargo flights each week to 38 countries in Europe, Latin America, and other places. The possible establishment of an insurance exchange similar in concept to the Lloyds of London has made Miami the "crossroads of continents." The Greater Miami Foreign-Trade Zone has become a drawing card for business to Miami.

Use of the Zone by Business Firms

The Miami zone served 180 business firms during fiscal 1980. Of these firms, 120 occupied zone facilities on a continuous basis, employing up to 70 persons at one time—557 of whom were full-time employees.

No manipulation or manufacturing operations were carried out in the zone.

Movement of Merchandise in Fiscal Year 1980

The zone handled 12 different commodities from 53 countries of origin compared with 9 commodities from 19 countries during the preceding fiscal year.

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Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	14,957,240	1,826	17,045,052	1,700
Of domestic origin	4,781,152	465	11,363,368	1,133
Total	19,738,392	2,291	28,408,420	2,833

Movement of Merchandise During Year

	Dollars	Short tons
<i>Received</i>		
From U.S. Customs territory	34,133,827	2,062
From foreign countries	61,897,049	6,615
Total	96,030,876	8,677
<i>Forwarded</i>		
To U.S. Customs territory	20,368,113	1,403
To foreign countries	54,068,354	5,612
Total	74,436,467	7,015

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
General merchandise ..	\$40,951,873	General merchandise	4,845
Electronics	26,632,272	Industrial items	1,158
Perfumes and		Perfumes and	
cosmetics	8,629,442	cosmetics	837
Industrial items	7,411,888	Electronics	764
Jewelry	7,023,446	Toys	655

The five leading countries of origin in commodities received were as follows, by value and weight:

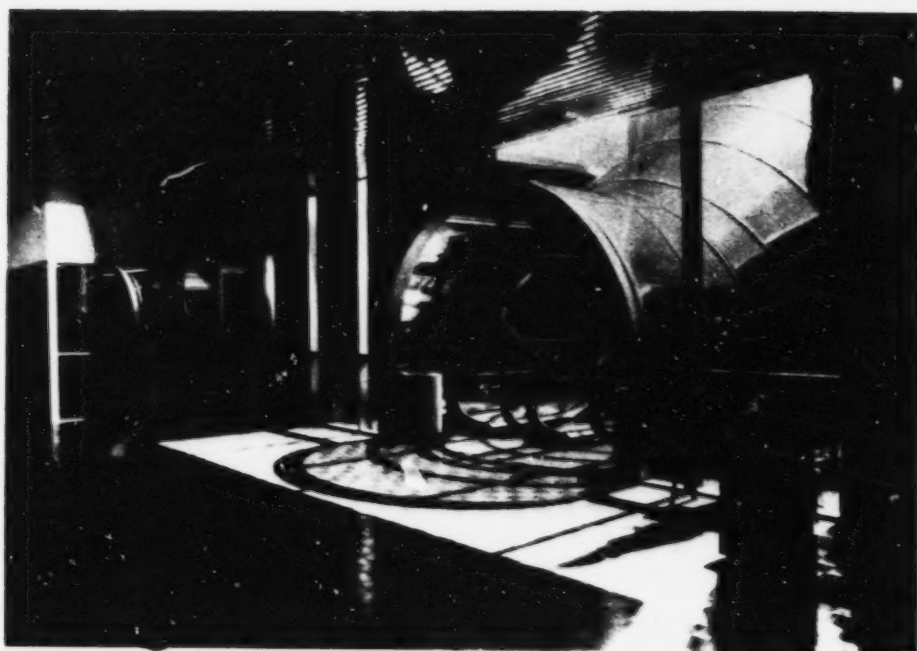
	Value		Short tons
United States	\$34,133,827	United States	2,062
Japan	15,777,073	Japan	1,275
France	7,774,263	Federal Republic	
Federal Republic		of Germany	1,028
of Germany	6,545,565	Taiwan	692
Taiwan	3,228,199	United Kingdom	623

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 6,615 short tons, valued at \$61,897,047.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$553,705.

Occupancy

The percent of occupancy of leaseable space during the first full year of operation was 90 percent.



Foreign-Trade Zone 32, Miami, Florida. Futuristic entrance to the exhibition area at Miami's zone near the international airport.

Income and Expenditures

Income and expenditures of the Miami zone for fiscal 1979 and 1980 are presented in table 18.

Table 18.—Summary of Income and Expenditures, Miami Foreign-Trade Zone—Fiscal 1979 and 1980

Item	1979	1980
INCOME		
Operating income	\$ 36,449	\$ 284,558
Building leases	620,233	3,065,085
All other items	48,145	42,299
Total	\$ 704,827	\$3,391,942
EXPENDITURES		
Salaries and wages paid to zone employees	\$ 567,127	\$ 862,651
Reimbursement to U.S. Customs Service	48,000	44,773
All other expenses	1,062,923	3,963,733
Total	\$1,677,923	\$4,871,157

Foreign-Trade Zone No. 33 Pittsburgh, Pennsylvania Grantee: Regional Industrial Development Corporation

The grantee and operator of Foreign-Trade Zone No. 33 is the Regional Industrial Development Corporation of Southwestern Pennsylvania (RIDC). RIDC is a nonprofit organization established in 1955 to undertake activities designed to encourage the economic development of southwestern Pennsylvania, a region of approximately 2,800,000 people, centered around Pittsburgh.

Foreign-Trade Zone No. 33 is located within a 355-acre industrial park under development by RIDC. The development, known as RIDC Park West, is located near the Greater Pittsburgh International Airport.

A 6-acre, general-purpose zone was originally approved in the Industrial Park. Because of the configuration and topography of the site, a minor modification during this past year changed the zone boundaries to encompass 10.63 acres, but the building plan remained unchanged. A 40,000-square foot building designed for multioccupancy and named Foreign-Trade Zone Building Number One has been constructed within the zone.

During the past fiscal year, an application was filed with the Foreign-Trade Zones Board to include three additional sites within the Industrial Park as part of the zone. One site comprises 9.3 acres to be occupied by National Draeger, Inc., a subsidiary of Draegerwerk AG of Luebeck, West Germany. Draeger will occupy an 11,000-square foot building for the assembly of diving, breathing protection, and gas detection equipment. Importing core parts, the company plans to manufacture certain components and purchase standard, American-made parts to complete the products. A 1.3-acre site will contain the operations of North America Cerutti Technical and Commercial Organization, Inc., a subsidiary of Officine Meccaniche Giovanni Cerutti, S.P.A. of Casale Monferrato, Italy. North America Cerutti plans to assemble roto-gravure printing presses in a 26,000-square foot building. Initially, the company will import component parts, gradually shifting to American-made parts. A 13.6-acre site will be occupied by Eickhoff



Foreign-Trade Zone 33, Pittsburgh, Pennsylvania. A typical building at RIDC Park West, site of Pittsburgh's zone.

America Corporation, a subsidiary of Gebr Eickhoff of Bochum, West Germany. Eickhoff plans to construct a 39,000-square foot building to assemble shearing machines for the mining industry. Although the company will import certain components, it expects to use an increasingly larger share of American-produced components. These companies plan to serve the U.S. market; exports to Canada, Mexico, and South America are contemplated as well.

Foreign-Trade Subzone 33A at the Volkswagen plant in Westmoreland County, Pennsylvania, is also operated by RIDC, the grantee of Foreign-Trade Zone No. 33. The report for the subzone follows.

Foreign-Trade Subzone No. 33A Westmoreland County, Pennsylvania Grantee: Regional Industrial Development Corporation

This special-purpose subzone is an automobile assembly plant operated by Volkswagen of America, Inc.

The subzone encompasses the entire Volkswagen plant located in East Huntingdon Township, Westmoreland County, Pennsylvania, a few miles from New Stanton, Pennsylvania, about 35 miles southeast of Pittsburgh.

The subzone comprises 147 acres of a 300-acre site utilized by Volkswagen. In addition, Volkswagen owns land adjacent to the plant site. The entire parcel, including the plant site itself, is 1,180 acres.

The main plant structure has 2,272,960 square feet of floor space. Two annexes totaling 135,090 square feet were added during plant completion in 1977 and 1978. Later a 102,200-square foot administrative office facility and industrial health center and a 34,270 square foot utility building were added.

During this past fiscal year, another annex of 51,303 square feet was constructed within the subzone to house the emission testing facilities needed to meet Federal standards. Also, during the 1980 fiscal year, a temporary warehouse annex totaling approximately 85,500 square feet was leased a short distance from the plant.

The Volkswagen plant is now producing approximately 1,000 vehicles per working day. During the past fiscal year, 220,790 automobiles and automobile trucks were produced—plus 37,347 auto lift gates. Based upon average retail cost, the value represented was \$1,480,076,757. Customs duties collected during the fiscal year totaled \$14,528,223.

It should be noted that the plant is having an increasingly favorable impact on the U.S. economy as the percentage of the U.S.-made components continues to rise. In the 1979 fiscal year, less than half of the merchandise moved through the subzone consisted of components produced by U.S. manufacturers; in the 1980

fiscal year, more than half of the components were produced by U.S. manufacturers.

The plant now employs 5,700 people, with an annual payroll of approximately \$100 million. Of the 5,700 people on the payroll, 48 percent are residents of Westmoreland County and the rest are from adjacent counties, including 18 percent from Allegheny County (the location of the City of Pittsburgh).

The company estimates that in addition to the 5,700 jobs at the plant, the Volkswagen plant has generated at least 10,000 additional U.S. jobs. The plant deals with nearly 3,000 U.S. companies, including many small companies in Pennsylvania and elsewhere that supply such general plant items as working gloves, welding rods, fluorescent lighting tubes, sanding discs, and cleaning compounds. Of even greater importance, trains and trucks roll into the plant from many areas of the United States bringing such items as instrument panels from New Hampshire, seat frames from Kentucky, carpet from Pennsylvania, bumpers from Ohio, batteries from Virginia, seat trim from Michigan, gas tanks from Illinois, glass from Pennsylvania and Ohio, paint from Ohio, and tires from Alabama, Tennessee, and Kentucky.

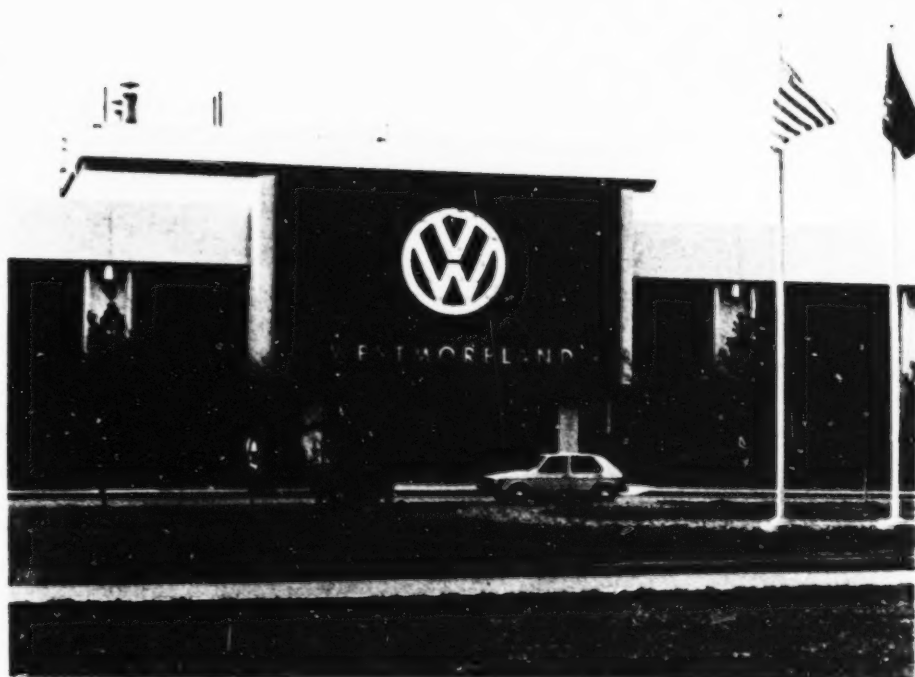
While merchandise exported from the subzone to foreign countries during fiscal 1980 total slightly less than \$3 million, it is expected that during fiscal 1981 this figure will rise sharply. Volkswagen is planning on exporting 20,000 vehicles to Canada during the 1981 fiscal year, with a retail value approximating \$130 million.

Movement of Merchandise in Fiscal Year 1980 —Subzone 33A

	<i>Merchandise in Subzone</i>			
	<i>Beginning of FY 1980</i>		<i>End of FY 1980</i>	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	25,890,083	6,930	23,476,135	6,284
Of domestic origin	8,125,196	2,175	30,392,782	8,135
Total	34,015,279	9,105	53,868,917	14,419

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	398,522,150	106,670
From foreign countries	384,128,404	102,817
Total	782,650,554	209,487
<i>Forwarded</i>		
To U.S. Customs territory	744,802,238	199,358
To foreign countries	2,910,830	778
Total	747,713,068	200,136



Foreign-Trade Subzone 33A, Westmoreland County, Pennsylvania. Administration building at Volkswagen Westmoreland serves as the nerve center for the VW Rabbit assembly plant about 35 miles southeast of Pittsburgh, Pennsylvania.

Components received at the subzone during fiscal 1980 were as follows:

<i>Components</i>	<i>Country of Origin</i>
Engine blocks	Federal Republic of Germany
Engine blocks	Brazil
Seat cushions and parts	United States
Transmissions	Federal Republic of Germany
Auto stampings	United States
Radios	United States
Carpeting	United States
Radiators	Mexico
Window glass	United States
Floor pans	Mexico
Air-conditioners	United States
Fuel injection pumps	Federal Republic of Germany
Wiring harnesses	United States
Axles	Mexico
Heaters	United States

The total weight of the above components was 157,116 short tons valued at \$586,987,916.

Nonprivileged foreign merchandise received at the subzone during the fiscal year amounted to 101,869 short tons, valued at \$380,585,316.

Privileged foreign merchandise received at the subzone during the fiscal year amounted to 948 short tons, valued at \$3,543,086.

Commodities forwarded from the subzone during the fiscal year were as follows:

<i>Item</i>	<i>Country of Destination</i>	<i>No. of Units</i>	<i>Short tons</i>
Automobiles	United States	197,631	177,868
Automobile trucks ...	United States	23,110	20,799
Automobiles	Federal Republic of Germany	35	32
Automobile trucks ...	Federal Republic of Germany	14	13
Auto lift gates	Mexico	37,347	95
Total		258,137	198,807

Total value of the above commodities was \$1,480,076,757.

Customs collection of duties on merchandise entered from the subzone during the fiscal year was \$14,528,223.

Income and Expenditures

Income and expenditures of the Regional Industrial Development Corporation of Southwestern Pennsylvania zone for fiscal years 1979 and 1980 are presented in table 19.

Table 19.—*Summary of Income and Expenditures of the Regional Industrial Development Corporation of Southwestern Pennsylvania Foreign-Trade Zone—Fiscal 1979 and 1980*

<i>Item</i>	<i>1979</i>	<i>1980</i>
INCOME		
Administration fees	\$ 33,199	\$ 50,000
Reimbursement for U.S. Customs Service ..	49,146	82,825
Total	\$ 82,345	\$132,825
EXPENDITURES		
Administration	\$ 25,736	\$ 33,403
Reimbursement to U.S. Customs Service	48,644	82,825
Other	502	None
Total	\$ 74,882	\$116,228

Foreign-Trade Zone No. 36

Galveston, Texas

Grantee: The City of Galveston

Foreign-Trade Zone No. 36 is located in the Port of Galveston industrial area of Galveston, Texas. This port industrial district lies on the Gulf of Mexico, with the foreign-trade zone adjacent to the Galveston Harbor and the Galveston Ship Channel.

The City of Galveston is the zone grantee. The Port of Galveston, a municipally owned port authority, is responsible for the planning, operation, and control of waterborne commerce in the City. In this capacity, the Port acts as administrator agency of Foreign-Trade Zone No. 36 on behalf of the City of Galveston.

The Galveston Foreign-Trade zone consists of two approved sites encompassing approximately 884 acres of land. This land area is entirely within the jurisdiction of the Port of Entry of Galveston.

Site A, located on the south side of Galveston Harbor on Galveston Island, is composed of three warehouses having a total of over 274,000 square feet of storage space. Each warehouse is equipped with a sprinkler system and an electronic security system. Rail and truck facilities are available at each warehouse. An area of 5,000 square feet in the smallest of these warehouses is currently the active portion of the zone. This space is under long-term lease to and operated by Bluebonnet Warehousing Corporation.

Site B is located on the north side of Galveston Harbor on Pelican Island. Zone-approved acreage totals 876 acres. The first zone industrial development began in late 1979 with the installation of the necessary utilities. Construction of a major roadway began in July 1980. These improvements are on a 230-acre site called Pelican Island Industrial Park, 200 acres of which have foreign-trade zone status. Sites are being prepared for sale or lease by Mitchell Development Corporation of the Southwest, the major zone landowner.

The new Industrial Park is part of approximately 2,000 acres of existing or proposed development on the 4.7-square mile Pelican

Island. Existing industry includes shipyards, drydocks, numerous offshore oilfield support bases, and the Texas Maritime Academy. Industry presently in the planning stages include a deep-draft channel, a 150-acre onshore oil terminal, a 170-acre coal terminal, and a 5-acre cement terminal. Expected completion date for these projects is first quarter 1983. All these projects, including the foreign-trade zone, will have a dramatic positive effect on the economy of the City of Galveston.

Numerous inquiries from prospective zone users were received during this fiscal year. Visits were made by not only American and foreign industrial and warehousing prospects, but also representatives of foreign countries whose responsibility includes informing prospective users from their respective countries about favorable sites in the United States.

Interest is running high in the Galveston Foreign-Trade zone due to the aforementioned port improvements and due to economic conditions worldwide. The political and economic stability in the United States combined with the rapid economic growth of the American Southwest all will have a favorable impact on Galveston's Foreign-Trade Zone No. 36.

Use of the Zone by Business Firms

The zone served six firms during fiscal 1980. Of these firms, three occupied zone facilities on a continuous basis. There was no full-time zone employment by any zone occupant during the year.

Manipulation and manufacturing operations carried out in the zone included the following:

Firearms: Inspect, disassemble, and recouper.

Ships stores: Inspect.

Movement of Merchandise in Fiscal Year 1980

The zone handled five different commodities from six countries of origin, compared with four commodities from four countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	43,106	37	645,847	79
Of domestic origin	None	None	None	None
Total	43,106	37	645,847	79



11. Aerial view of the city of San Francisco, California.

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Israel	\$600,000	Israel	42.4
Japan	118,630	Denmark	36.6
Denmark	42,400	Japan	3.0
Federal Republic of Germany	18,255	England	0.3
Belgium	2,541	Federal Republic of Germany	0.2

Nonprivileged foreign merchandise received at the zone during this fiscal year amounted to 3.2 short tons, valued at \$136,885.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$11,949.

Occupancy

There are over 274,000 square feet of covered space approved within Site A of which 5,000 square feet has been activated. None of the 876 acres of Site B has yet been activated.

Income and Expenditures

Income and expenditures of the Galveston zone for fiscal 1980 is presented in table 20.

Table 20.—*Summary of Income and Expenditures, Galveston Foreign-Trade Zone—Fiscal 1979 and 1980*

Item	1979	1980
	INCOME	
Operating contribution	\$50,000	\$ None
	EXPENDITURES	
Salaries and wages paid to zone employees	\$27,900	\$11,300
Reimbursement to U.S. Customs Service	297	None
Other expenses	40,683	9,525
Total	\$68,880	\$20,825

**Foreign-Trade Zone No. 37
Orange County, New York
Grantee: Foreign Trade Development
Company of Orange County,
Inc.**

Foreign-Trade Zone No. 37, Site 1 has been in operation since 1979. It is located off Stewart Airport's 12,000-foot runway, which is expected to become fully operational in March 1981.

During the past year, the complete exterior of the Site 1 building was painted to complement the renovations made to the interior during 1979.

Presently there are four companies using the zone, with greater utilization expected when the airport becomes operational in the near future. A new business development program is geared to attract companies that are involved in both import and export markets. There is an excellent highway system in the immediate area, and, with the airport becoming viable, industries should be attracted to the area. The Foreign-Trade zone should then expand to its full potential, thus creating employment in an area that is presently economically depressed.

The Gateway International Park, located near the airport, is now being developed. Gateway International Park consists of 65 acres—10 acres of which have been acquired by ICOS of America, Inc., which is wholly owned by ICOS of Milan, Italy, a multinational heavy construction firm. The land has been graded and cleared, utilities have been installed, and an access road built. It is the intention of ICOS of America, Inc. to use the site for the storage and rehabilitation of heavy construction machinery used in its worldwide activities. Such utilization should commence sometime in the spring of 1981.

At this time, the zone employs one full time manager and one part-time bookkeeper, in addition to casual labor for freight handling.

Use of the Zone by Business Firms

The zone served four business firms during fiscal 1980. Each firm employed two people at one time, all of whom were full-time employees.

There were no manufacturing or manipulation operations carried out in the zone.

Movement of Merchandise in Fiscal Year 1980

The zone handled five different commodities from five countries of origin during the year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin.....	117,495	4.4	225,844	6.0
Of domestic origin	3,003	.5	52,203	.2
Total	120,498	4.9	278,047	6.2

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	None	None
From foreign countries	457,556	13
Total	457,556	13
<i>Forwarded</i>		
To U.S. Customs territory	299,807	12
To foreign countries	None	None
Total	299,807	12

The five leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Tanned hides	\$225,844	6
Machinery	146,819	5
Eyeglass frames	52,203	1.5
Antiques	22,207	.2
Microfilm cameras	10,483	.16

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Chile	\$225,844	6
Sweden	146,819	5
France	52,203	
People's Republic of China	22,207	1.5
Switzerland	10,483	.2
		.16

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 11 short tons, valued at \$362,663.

Foreign-Trade Zone No. 38 Spartanburg, South Carolina Grantee: South Carolina State Ports Authority

Foreign-Trade Zone No. 38, South Carolina's first inland zone, has a unique orientation in that it lies in the center of an area that is known worldwide for its extremely heavy concentration of direct foreign investment. In the Greenville-Spartanburg or Piedmont area as it is known, an impressive number of international firms representing countries such as Austria, Belgium, Canada, Denmark, France, Germany, Great Britain, Japan, the Netherlands, Switzerland, and Taiwan have built manufacturing facilities in recent years. Of these international investors, quite a few have located sales and service facilities in the area as well.

Largely due to its location within one of the most active textile areas in the United States, Foreign-Trade Zone No. 38 was utilized predominantly during the year by firms with a textile orientation for a variety of distribution, repackaging, or processing activities involving both import and export activity. Numerous firms engaging in other types of import/export activity were also drawn to the zone by the very nature of its international character, and these firms maintained offices in the zone as well as distribution and exhibition areas. A Taiwanese firm, a British firm, a South American firm, a Dutch firm, and a German firm maintained U.S. headquarters offices within the initial zone office/warehouse complex. Their products included a variety of consumer items such as leather and suede garments, copper and brassware, electronic speakers, textile items, fiber-waste products for resale in export markets, woodworking machinery and parts, and furniture. Other items handled through the zone included a variety of high-duty, excess quota items such as textile machinery and parts, clothespins, and silk.

A promotional effort to obtain new business for Zone 38 was exerted during trade development missions to the European and Pacific rim countries during the fall, winter, and spring of fiscal 1979. Visits were made by representatives of the zone operator to Germany, Denmark, South Korea, Japan, the Peoples Republic

of China, and Taiwan, where contacts were made with numerous representatives of foreign shipping and transportation organizations desiring entry into the U.S. market through sales and service or location of a facility on U.S. soil. It is felt that accomplishments in this area have laid the groundwork for very real activity to be established in the zone in terms of manufacturing and assembly in the near future.

The International Exhibition of Textile Machinery held in Hannover in October 1979 and the Textile Machinery Show held in the Greenville-Spartanburg area in the fall of 1980 both generated considerable potential business for the zone. Many of the textile machines exhibited ultimately may be placed in the zone pending final sale in the United States, be exported to a third country, or be demonstrated within the zone.

The presence of a zone in the Greenville-Spartanburg area was a deciding factor in the establishment of a manufacturing facility contiguous to the zone by a subsidiary of a German firm for the production and distribution of blankets.

Use of the Zone by Business Firms

The zone served 10 business firms during fiscal 1980. Of these firms, 8 occupied zone facilities on a continuous basis, employing up to 29 persons at one time—16 of whom were full-time employees.

Manipulations and a manufacturing operations carried out in the zone included the following:

Brassware: Inspect, segregate, inventory, and distribute.

Fiber: Consolidate and distribute.

Fiber screen: Destroy.

Furniture: Inspect, segregate, exhibit, and distribute.

Ornaments: Distribute.

Textile machinery: Exhibit, demonstrate, consolidate, and distribute.

Wearing apparel: Consolidate, inspect, and distribute.

Wire: Distribute.

Wooden pincers: Segregate, count, and warehouse.

Woodworking machinery and parts: Inspect, exhibit, assemble, and repair.

Yarn stands and parts: Assemble and distribute.

Movement of Merchandise in Fiscal Year 1980

The zone handled 12 different commodities from 12 countries of origin, compared with 9 commodities from 11 countries during the preceding fiscal year.

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Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	1,624,767	165	650,416	29
Of domestic origin	130,631	116	28,298	1
Total	1,755,398	281	678,714	30

Movement of Merchandise During Year

<i>Received</i>		Dollars	Short tons
From U.S. Customs territory		339,029	285
From foreign countries		986,138	100
Total		1,325,167	385
<i>Forwarded</i>			
To U.S. Customs territory		2,221,848	601
To foreign countries		180,003	34
Total		2,401,851	635

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Textile machinery parts .	\$494,887	Fiber	282
Fiber	310,530	Wearing apparel	44
Wearing apparel	303,221	Textile machinery parts	41
Wire	86,913	Woodworking machinery	8
Woodworking machinery.	77,878	Wire	6

The five leading countries of origin in commodities received were as follows, by value and weight:

	Value		Short tons
United States	\$339,029	United States	285
Taiwan	269,974	Taiwan	42
Australia	264,855	Federal Republic	
Federal Republic		of Germany	30
of Germany	256,977	Australia	16
Austria	70,033	Austria	7

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 100 short tons, valued at \$984,958.

Customs collection of duties on merchandise entered from the zone during this fiscal year was \$184,052.

Occupancy

Within Foreign-Trade Zone No. 38, there are 116,000 square feet of covered space, 105,000 square feet of which was occupied—representing an occupancy rate of 74 percent.



Foreign-Trade Zone 38, Spartanburg, South Carolina. Office space is available for firms using the zone.

Income and Expenditures

The financial report for this site is combined with that of Zone No. 21, operated by the same company.

Foreign-Trade Zone No. 41 Milwaukee, Wisconsin Grantee: Foreign Trade Zone of Wisconsin, Ltd.

Foreign Trade Zone No. 41, which is administered and operated by the grantee, Foreign Trade Zone of Wisconsin, Ltd., began operation in November, 1979.

Although the grantee is a private corporation, close liaison and cooperation exists between public bodies, Department of City Development, Port of Milwaukee, and the Wisconsin Department of Development on a continuing basis.

Foreign-Trade Zone No. 41 is presently located on a site of 5.8 acres. It is housed in a 47,400-square foot, general-purpose building containing 2,000 square feet of office space with the balance available for storage of light assembly. It is anticipated that a second building will be constructed when needed. This second building will be approximately 60,000 square feet, and constructed according to the needs of tenant users. The zone is located in the City Industrial Land Bank, consisting of over 400 acres.

The zone offers a variety of service features. It has available offices and a related expansion area for future offices. The zone building also has a domestic area in which Cartage-Trucking Co. is located. This firm has available on short notice any type of equipment for pickup and delivery of zone tenant-users.

At this time, most of the tenant-users of the zone use it as a warehouse-distribution facility. A few have inspected, repacked and reexported products. There yet has been no assembly or manufacturing within the zone.

An application was submitted to the Foreign-Trade Zone Board just prior to the end of this fiscal year for expansion of our public zone No. 41 to include approximately 40 additional acres on three sites. The first is a 6-acre site adjacent to H. Barkow, Inc., which customizes truck chassis with bodies for utility use—such as hauling plate glass. They also manufacture and assemble cabs for industrial fork lifts of foreign manufacture. Some export of finished products is anticipated. The second location is an 11-acre

site containing the operations of Schmidt Engineering and Equipment Co., Ltd. The company presently is located at a site in West Milwaukee, but because of growth wishes to expand to a site within the zone. The third location consists of a 23-acre general-purpose site.

An application was submitted during the year for a special-purpose subzone in an American Motors Corp. (A.M.C.) plant complex in Kenosha County, Wisconsin. If approved, A.M.C. would immediately activate the subzone for items it now imports and reexports. This is preparatory to A.M.C.'s anticipation of taking on the assembly of a Renault model, in which case it would make more extensive use of zone benefits.

A request also was submitted to the Foreign-Trade Zone Board for the establishment of a special-purpose subzone at the Muskegon Piston Ring Co. in Manitowoc, Wisconsin. This operation would involve the machining of imported rough castings and specialty steel into diesel piston rings, a third of which would be exported.

Use of the Zone by Business Firms

The zone has served 16 business firms during fiscal 1980. Of these firms, 10 occupied zone facilities on a continuing basis employing several part-time—but no full-time—employees.

Manipulations and operations carried out in the zone included the following:

Clay targets: Inspect and warehouse.

Diesel engines: Warehouse.

Electrical equipment: Inspect, inventory, and warehouse.

Furniture: Inspect, repack, label, and reexport.

Gas engines: Warehouse.

Gear boxes: Warehouse.

Household goods: Inspect and warehouse.

Hydraulic excavators: Warehouse.

Liquors: Inspect and warehouse.

Machine parts: Warehouse.

Mechanical components: Warehouse.

Personal effects: Inspect, repack, and warehouse.

Plastic wads: Warehouse.

Rotor lamination: Warehouse.

Scale models: Inspect, repack, label, and reexport.

Short blocks: Warehouse.

Shotshells: Warehouse.

Souvenirs: Repack, inventory, and warehouse.

Timers: Warehouse.

Tractors parts: Inspect and warehouse.

Wine: Inspect and warehouse.

X-Ray equipment: Inspect, inventory, and warehouse.

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Movement of Merchandise in Fiscal Year 1980

The zone handled 18 different commodities from 12 countries of origin.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	None	None	809,266	76
Of domestic origin	None	None	None	None
Total	None	None	809,266	76

Movement of Merchandise During Year

		Dollars	Short tons
<i>Received</i>			
From U.S. Customs territory		12,448,679	2,198
From foreign countries		7,046,081	540
Total		19,494,760	2,738
<i>Forwarded</i>			
To U.S. Customs territory		18,452,055	2,659
To foreign countries		163,438	3
Total		18,615,493	2,662

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Scanner parts	\$2,809,242	Scanner parts	144
X-Ray equipment	1,598,587	Hydraulic excavators	85
Electrical equipment ..	682,353	Wine	69
Household goods and personal effects	408,600	X-Ray equipment	39
Hydraulic excavators ..	271,866	Gas engines	29

The five leading countries of origin in commodities received were as follows, by value and weight:

	Value		Short tons
Denmark	\$5,238,884	Denmark	207
Japan	802,821	Belgium	118
Belgium	305,866	Japan	57
Spain	203,027	Spain	36
Federal Republic of Germany	182,020	Federal Republic of Germany	26

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 540 short tons, valued at \$7,046,081.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$149,593.

Occupancy

The average percentage of occupancy of covered space with customary allowance for aisles during the fiscal year was 45 percent.

Income and Expenditures

Income and expenditures of the Milwaukee zone for fiscal year 1980 is shown in table 21.

Table 21.—*Summary of Income and Expenditures, Milwaukee Foreign-Trade Zone—Fiscal Year 1980*

Item	1980
INCOME	
Storage	\$ 35,193
Handling	6,086
Other income	4,673
Total	\$ 45,957
EXPENDITURES	
Salaries and wages paid to zone employees	\$ 25,525
Reimbursement to U.S. Customs Service	5,587
All other expenses	130,261
Total	\$161,373

Foreign-Trade Zone No. 42

Orlando, Florida

Grantee: Greater Orlando Aviation Authority

Foreign-Trade Zone 42 with 201 acres of space is within the 1,000-acre industrial properties of the Orlando International Airport. The City of Orlando owns the zone, which is administered by the Greater Orlando Aviation Authority as an agency for the City—with the Authority being the grantee and operator of the zone.

Zone operations are being conducted in a 16,000-square foot building adjacent to the airport runways. This proximity to aircraft is a unique feature. Zone users may construct private buildings on airport land or lease space in facilities of the grantee or privately owned buildings. An engineering development plan is being prepared for the 1,000-acre industrial properties, which include the 201-acre zone. This plan will outline recommendations for construction of new buildings to accommodate anticipated requirements for a variety of prospects.

Rail service is available into the zone, and the Seaboard Coast/Line Railroad operates a terminal within 5 miles of the airport that handles ocean containers as well as truck trailers. Seven major deep-water seaports and all major cities of Florida are located within 1-day truck delivery service. Orlando International Airport is one of the largest in the United States, with 7,000 acres of property and two 12,000-foot runways that can accommodate any aircraft. A new \$300 million, passenger-air-freight terminal will be opened in 1981. These transportation capabilities, combined with the Central-Florida location and the excellent highway systems serving Orlando, make Foreign-Trade Zone No. 42 an inter-modal transportation and distribution center.

During this first year of operation, merchandise valued at \$437,192 moved through the zone. Projections for fiscal 1980 indicate a significant increase in movement of merchandise with the likelihood that the zone will be 100 percent occupied by the end of the fiscal year.

The Orlando area has proven to be an example of how, in communities where there is no established international activity, a foreign-trade zone can be the catalyst to develop international businesses for the economic benefit of the entire area. Orlando was not designated as a Customs Port of Entry until late 1976 and the zone was authorized in 1978. The Customs office began operations in January 1977 with two full-time officials and one part-time employee and collected \$1.5 million in duties that year. That office was staffed with 4 full-time and 21 part-time officials and collected over \$7 million in duties during 1979. Likewise there has been a tremendous growth and interest exhibited by the local banking, brokerage, trade, and educational institutions to parallel Orlando's emergence as a major customs port of entry.

The zone further benefitted from promotional assistance by State and local sources. The Division of Economic Development of the Florida Department of Commerce, which includes two overseas offices, and the Industrial Development Commission of Mid-Florida actively supported zone development. Other agencies such as the Florida Council of Industrial Development, the Greater Orlando Chamber of Commerce, and local professional businesspeople proved helpful in promotional actions and referring potential clients to the zone.

Use of the Zone by Business Firms

The zone served nine business firms during fiscal 1980. Of these firms, 4 occupied zone facilities on a continuous basis, employing up to 15 people at one time—12 of whom were full-time employees.

Movement of Merchandise in Fiscal Year 1980

The zone handled three different commodities from six countries of origin.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	None	None	57,408	12.5
Of domestic origin	None	None	None	None
Total	None	None	57,408	12.5

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	None	None
From foreign countries	247,300	28
Total	247,300	28

<i>Forwarded</i>	<i>Dollars</i>	<i>Short tons</i>
To U.S. Customs territory	189,101	15
To foreign countries	791	None
Total	189,892	15

The leading commodities of foreign origin were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Clothing	\$242,100	Clothing	26.1
Basketware	5,000	Basketware	1.7
Electronics	200	Electronics	—

The five leading countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>		<i>Short tons</i>
India	\$77,200	Hong Kong	9.3
Pakistan	72,300	India	8.0
Philippines	65,800	Pakistan	6.2
Hong Kong	24,000	Philippines	2.4
People's Republic of China	5,000	People's Republic of China	1.7

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to .07 short tons, valued at \$211.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$39,425.

Occupancy

The average percentage of occupancy of space with customary allowances for aisles during the fiscal year was as follows:

	<i>Percent</i>
Covered space	23
Uncovered space	0

This represented 15.6 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the Orlando zone for fiscal year 1980 is presented in table 22.

Table 22.—*Summary of Income and Expenditures, Orlando Foreign-Trade Zone—Fiscal Year 1980*

Item	1980
INCOME	
Space rental	\$ 6,858
Other income	205
Total	\$ 7,063
EXPENDITURES	
Salaries, wages and operating expenses	\$59,287
Reimbursement to U.S. Customs Service	155
Total	\$59,442

Foreign-Trade Zone No. 43

Battle Creek, Michigan

Grantee: City of Battle Creek

Foreign-Trade Zone No. 43 is a general-purpose zone located in Battle Creek, Michigan, adjacent to the W.K. Kellogg International Airport and midway between Detroit and Chicago on the I-94 industrial corridor. The zone is within the certified Class-A, 2,400-acre Fort Custer Industrial Park, and consists of 93,687 square feet in the Frederick R. Brydges Customs Cargo Center. This complex also contains the offices of the U.S. Customs Service, a custom broker, a common carrier and an international air-freight forwarder.

The zone was approved on October 19, 1978, and received its first shipment on March 13, 1979. This report represents the first full year of operations and indicates what is believed to be an encouraging and healthy pattern of growth.

In the previous partial year of operation, an average of 31 percent of the activated zone area was utilized, with merchandise valued at \$2.5 million received. Those figures have risen this year to 70 percent average usage and \$8 million in merchandise received. Several users who tested the zone concept with a small trial shipment are now using the zone on a continuous basis with a sizable volume of goods.

The boundaries of the zone were modified in June 1980, to include 9,600 square feet of outside storage area. This modification was in response to the needs of a zone user whose machines were too large to be accommodated within the zone building. As a result, the zone is now able to offer a wider range of services to potential users.

This year also saw the establishment of a display and demonstration area for an importer of projection form-grinding machines. Once established in the market, the company plans to construct its own facility and begin manufacturing the machines in the United States, sourcing as many components domestically as possible. Four full-time jobs have been created by this zone user.

Marketing of the zone continues on a local, regional, and international basis and in cooperation with both the City and State

economic development programs. The State of Michigan Office of Economic Expansion maintains offices in both Japan and Europe and disseminates zone information regularly as an added incentive to locate industry in the area. Two foreign trade missions were made by the operator to both the Far East and Europe and a zone seminar was held for the second year in Toronto. During the year, five companies located in the Fort Custer Industrial Park, two of which utilized the zone. Marketing assistance also is provided by the Battle Creek Area Chamber of Commerce, international banking divisions, custom house brokers, and transportation firms.

In an effort to educate the general public about the foreign-trade zone concept, numerous presentations have been made to a wide variety of organizations, educational institutions, and service clubs.

The operator has received outstanding service and cooperation from all levels of the U.S. Customs Service. This has been a significant factor in the evolution and growth of the zone.

Use of the Zone by Business Firms

The zone served 12 business firms during fiscal 1980. Of these firms, 7 occupied zone facilities on a continuous basis, employing up to 11 persons at one time—four of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Automatic turning machine: Warehouse.

Automotive parts: Warehouse and distribute.

Batteries and chargers: Warehouse.

Beer and wine: Warehouse.

Essential lime oil: Measure, test for quality, and warehouse.

Hand tools: Warehouse.

Internal combustion engines: Warehouse.

Lift truck: Warehouse.

Personal and household effects: Warehouse.

Powdered milk: Test for grade and quality and warehouse.

Projection form grinding machines: Display and demonstrate.

Sand mixer set-up: Examine, display, and warehouse.

Surgical equipment: Examine, manipulate, and reexport.

Movement of Merchandise in Fiscal Year 1980

The Battle Creek zone handled 13 different commodities from 8 countries of origin, compared with 9 commodities from 9 countries.

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Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	966,909	413	1,714,405	486
Of domestic origin	None	None	2,411,822	554
Total	966,909	413	4,126,227	1,040

Movement of Merchandise During Year

<i>Received</i>	Dollars	Short tons
From U.S. Customs territory	6,075,111	1,313
From foreign countries	1,953,418	836
Total	8,028,529	2,149
<i>Forwarded</i>		
To U.S. Customs territory	4,554,142	1,333
To foreign countries	315,069	189
Total	4,869,211	1,522

The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Powdered milk	\$487,284	Powdered milk	674
Transmissions	477,000	Transmissions	49
Grinding machine	430,501	Lift truck	40
Lime oil	225,329	Batteries and chargers	20
Lift truck	100,000	Machinery	19

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
United States	\$6,045,111	United States	1,293
Federal Republic of Germany	985,943	Canada	714
Canada	587,284	Federal Republic of Germany	83
Mexico	225,329	Japan	14
Japan	137,362	Italy	11

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 697 short tons, valued at \$1,415,357.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$5,863.

Occupancy

During the fiscal year an average of 70 percent of the total activated covered space was occupied and approximately 25 percent of the open area.

Income and Expenditures

Income and expenditures of the Battle Creek zone for fiscal years 1979 and 1980 are shown in table 23.

Table 23.—*Summary of Income and Expenditures, Battle Creek Foreign-Trade Zone—Fiscal Years 1979 and 1980*

Item	1979	1980
INCOME		
Zone rental	\$19,137	\$40,507
Handling fees	3,900	10,095
Other income	38	1,657
Total	\$23,075	\$52,259
EXPENDITURES		
Salaries and wages paid to zone employees	\$24,444	\$42,526
Reimbursement to U.S. Customs Service	552	849
Other expenses	7,096	13,195
Total	\$32,092	\$56,570

Foreign-Trade Zone No. 44
Morris County, New Jersey
Grantee: Department of Labor and
Industry of the State of New
Jersey, Office of International
Trade

The New Jersey Foreign Trade Zone, Zone No. 44, is located in the International Trade Center, Mount Olive Township, Morris County, New Jersey. The zone consists of approximately 2.5 million square feet of space being developed in an industrial park setting that is located on Interstate 80, the nation's only coast-to-coast interstate highway.

The developer has done extensive planning, obtained the necessary site plan approvals and permits, and is now prepared to begin construction. Zone operations are scheduled to begin in late 1982. Phase I construction consists of approximately 800,000 square feet of buildings that will house a variety of users including consumer electronics firms, hardware companies, and office and business equipment companies. Included in the NJFTZ plan is space for separate processing facilities, individual tenant buildings, multitenanted buildings, and short- or long-term space in a public warehouse located in the zone. Adjacent to the zone, the International Trade Center will develop a 3 million-square foot office park to meet the needs of zone tenants as well as other companies wishing to locate in this prestigious project. The final plans for the development also include a major multistory hotel on site to service international business and the surrounding region.

Foreign-Trade Zone No. 44A
Morris County, New Jersey
Grantee: Department of Labor and
Industry of the State of New
Jersey, Office of International
Trade

The New Jersey Foreign Trade Zone's Subzone 44A for the Ronson Corporation is located at One Ronson Drive, Woodbridge, New Jersey. The subzone is housed in a 100,000-square foot building, of which 50,000 square feet has been activated and utilized as a foreign trade zone.

The Ronson Corporation utilizes the subzone as a receiving, assembly, quality control and test center, and also as a worldwide distribution center for its products. By utilizing a U.S. foreign-trade zone, the Ronson Corporation was able to improve its quality control by relocating activities that were being performed in the Far East into the zone under its direct control.

Additional employment of approximately 10-15 people was required to handle all of the worldwide export business. The total full-time employment at the foreign-trade zone was approximately 45 persons. Indirectly, the foreign-trade zone encouraged additional employment in the customs brokerage, trucking, and freight forwarding industries.

Movement of Merchandise in Fiscal Year 1980

<i>Merchandise in Zone</i>				
	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	None	None	1,702,000	110
Of domestic origin	1,600,000	1,250	909,000	1,200
Total	1,600,000	1,250	2,611,000	1,310

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Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	3,508,000	5,000
From foreign countries	2,550,000	135
Total	6,058,000	5,135
<i>Forwarded</i>		
To U.S. Customs territory	3,400,000	3,720
To foreign countries	1,600,000	720
Total	5,000,000	4,440

Commodities received at the subzone during fiscal year 1980 were as follows:

<i>Commodity</i>	<i>Country of Origin</i>	<i>Number of Units</i>	<i>Short tons</i>	<i>Value</i>
Accessories	United States	n/a	5,000	\$3,508,000
Lighters	Japan	400,000	50	1,106,000
Lighters	Hong Kong	1,250,000	75	846,000
Lighters	England	60,000	6	307,000
Pens	Federal Republic of Germany	75,000	4	291,000
Total:			5,135	\$6,058,000

Commodities forwarded from the subzone during fiscal year 1980 were as follows:

<i>Commodity</i>	<i>Country of Destination</i>	<i>Number of Units</i>	<i>Short tons</i>	<i>Value</i>
Accessories	United States ...	n/a various components	3,700	\$2,700,000
Accessories	Thailand	n/a	700	800,000
Lighters/pens	United States	300,000	20	700,000
Lighters	England	200,000	10	400,000
Lighters	Various	200,000	10	400,000
Total:			4,440	\$5,000,000

No nonprivileged foreign merchandise was received at the subzone.

Privileged foreign merchandise received at the subzone during the fiscal year amounted to 135 short tons, valued at \$2,550,000.

Customs collection of duties on merchandise entered into U.S. Customs territory from the subzone was \$86,945.

Income and Expenditures

Income and expenditures of the New Jersey subzone for fiscal year 1980 is shown in table 24.

Table 24.—*Summary of Income and Expenditures, Foreign-Trade Subzone 44A—Fiscal Year 1980*

Item	1980
INCOME	
Operating income	\$ 9,000
Income from Ronson Corporation for U.S. Customs expenses	21,351
Total	\$30,351
EXPENDITURES	
Reimbursement to U.S. Customs Service	\$21,351
Pro-rated salaries and expenses of zone employees ..	9,000
Total	\$30,351

Foreign-Trade Zone No. 45 Portland, Oregon Grantee: Port of Portland

The 66-acre zone is divided into two categories. The first area activated is a general-purpose facility of 40,000 square feet inside the Port's 200,000-square foot, cargo-distribution-center warehouse. An intensive marketing program will soon focus on developing the second area, a 51-acre site available for special-purpose buildings just east of the warehouse. The zone is immediately adjacent to the Port's Terminal 6 container and vehicle terminal complex in the 3,000-acre Rivergate Industrial Park on the Columbia River, just 20 minutes from the Portland city center.

The Port of Portland's Foreign-Trade Zone No. 45 has been in operation just 16 months. During that period, the 66-acre zone project, which is operated by the Port as grantee, was utilized as a key marketing tool in dealings with several U.S. and foreign companies.

The overall development of the Port of Portland was slowed dramatically on May 18, 1980. On that date, Mt. St. Helens violently erupted and a large volume of pyroclastic material and mud blocked the Columbia River. Although the Port was finally opened late in the fiscal year, the lingering effects of this abrupt cessation of deep-sea vessel calls are still being felt as several lines are still reluctant to serve the river while the volcano remains active.

The Port's award-winning, extensive "We're Alive and Shipping" advertising and sales promotional campaign did a big job in restoring confidence in the Port. This effort is continuing in the United States and overseas with special cooperation from the Corps of Engineers, Coast Guard, U.S. Geological Survey, and community leaders. Documents have been prepared and distributed to prospective Port customers to assure them that there is virtually no chance of further cataclysmic effects from the volcano located some 50 air miles from Portland.

On July 31, 1980, the Port received a grant for Foreign-Trade Subzone No. 45A in Portland. The special-purpose subzone is located at Beall Pipe, Inc., adjacent to Terminal 4. It was created for the purpose of storing imported steel coil and for the manu-

facture of electric resistance and spiral-welded steel pipe for export. No zone procedures were utilized in Foreign-Trade Subzone No. 45A during the fiscal year. Operations will begin in fiscal 1981 with the first major shipments scheduled for January 1981. This activity will help to assist in expanding the Port's export cargo-volume and help the country's balance of payments.

Use of the Zone by Business Firms

The zone served 10 business firms during fiscal year 1980. Of these firms, six occupied zone facilities on a continuous basis. There were no full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Apparel: Store and distribute.

Automobiles: Store.

Carpet sweepers: Store and distribute.

Jewelry: Store and distribute.

Knives: Inspect, repair, export, distribute, and store.

Punch press: Store and distribute.

Sporting shoes: Store and distribute.

Stationary supplies: Store and distribute.

Sundries: Store and distribute.

Toys: Store and distribute.

Movement of Merchandise in Fiscal Year 1980

The zone handled nine different commodities from seven countries of origin, compared with four commodities from three countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	167,071	17	472,726	42
Of domestic origin	None	None	None	None
Total	167,071	17	472,726	42

Movement of Merchandise During Year

<i>Received</i>		Dollars	Short tons
From U.S. Customs territory		None	None
From foreign countries		751,242	63
Total		751,242	63
<i>Forwarded</i>		Dollars	Short tons
To U.S. Customs territory		408,002	37
To foreign countries		37,586	1
Total		445,588	38

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The five leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Knives	\$417,768	Apparel	29
Punch press	186,000	Punch press	20
Apparel	108,159	Knives	9
Cloissone	16,456	Toys	2
Toys	15,754	Automobiles	1

The five leading countries of origin of commodities received were as follows, by value and weight:

	Value		Short tons
Japan	\$603,768	South Korea	29
South Korea	106,620	Japan	29
People's Republic of China	70,562	Philippines	2
Philippines	15,754	People's Republic of China	2
Federal Republic of Germany	3,000	Federal Republic of Germany	1

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 14 short tons, valued at \$463,663.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$77,545.

Occupancy

The average percentage of occupancy of space, with customary allowances for aisles, during the fiscal year was as follows:

	Percent
Covered space	10
Uncovered	5

Income and Expenditures

Income and expenditures of the Portland zone for fiscal year 1980 is presented in table 25.

Table 25.—*Summary of Income and Expenditures, Portland Foreign-Trade Zone—Fiscal Year 1980*

Item	1980
INCOME	
Space rental	\$ 3,299
All other charges	5,051
Total	\$ 8,350
EXPENDITURES	
Building expenses	\$36,380
All other expenses	8,462
Total	\$44,842

Foreign-Trade Zone No. 46
Cincinnati, Ohio
Grantee: Greater Cincinnati Foreign-
Trade Zone, Inc.

Foreign-Trade Zone No. 46, consists of a primary zone and two subzones, with only Subzone 46B, the Honda plant in Marysville, Ohio, operational during FY 1980.

The primary zone, located in Butler County on Crescentville Road, is under development. Current projections are for access roads and a 170,000-square foot building to be completed as early as the winter of this year. This project will include a warehouse and industrial park complex to be called World Park.

Subzone 46A is located at the General Electric Company in Evendale, Ohio.

Foreign-Trade Zone No. 46B **Cincinnati, Ohio** **Grantee: Greater Cincinnati Foreign-Trade Zone, Inc.**

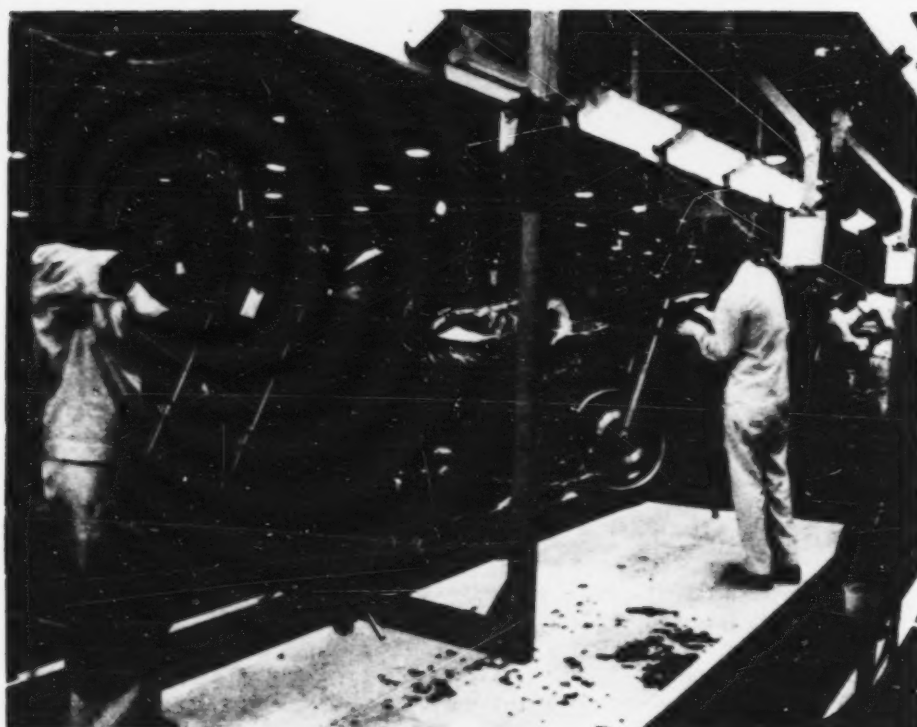
Honda of America Mfg., Inc., is the licensee of Foreign-Trade Subzone 46B, which was approved by the Foreign-Trade Zones Board in January 1979 and activated on or about April 30, 1980. The subzone currently includes a motorcycle plant located on approximately 214 acres off of U.S. Route 33 in Marysville, Ohio, 37 miles northwest of Columbus, Ohio. This subzone site includes a building of approximately 258,000 square feet. The licensee now conducts motorcycle and motorcycle parts assembly or production and related operations at Subzone 46B.

The motorcycle operation has had a very positive economic and business benefit for the local economy. In addition to the physical plant facilities that have been constructed, the company, as of September 30, 1980, employed 274 associates full time and an additional 15 part time. These employees have produced motorcycles and motorcycle parts not only for sale in the United States but also for export to a number of foreign countries. During the fiscal year a total of over 9,000 motorcycles was produced at the subzone. Also, the indirect employment related to zone operations, such as employment in the shipping industry and local employment in the Marysville, Ohio, area resulting from the additional goods and services purchased by the company associates, is thought to be substantial.

Movement of Merchandise in Fiscal Year 1980

Merchandise in Subzone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	None	None	7,773,568	1,255
Of domestic origin	None	None	1,387,927	320
Total	None	None	9,161,495	1,575



Foreign-Trade Subzone 46B, Marysville, Ohio. Assembly line at Honda's new motorcycle assembly plant. The facility's production replaces imports of finished motorcycles. Shipments to export markets have also begun.

Movement of Merchandise During Year

<i>Received</i>	<i>Dollars</i>	<i>Short tons</i>
From U.S. Customs territory	5,716,037	1,222
From foreign countries	21,763,135	3,534
Total	27,479,172	4,756
<i>Forwarded</i>		
To U.S. Customs territory	16,459,631	2,859
To foreign countries	1,858,045	322
Total	18,317,676	3,181

Commodities received at the subzone during fiscal 1980 were as follows:

<i>Commodity</i>	<i>Country</i>	<i>Value</i>	<i>Short tons</i>
Motorcycle parts	United States	\$ 5,716,037	1,222
Motorcycle parts	Japan	21,763,135	3,534
Total:		\$27,479,172	4,756

Commodities forwarded from the subzone during fiscal 1980 were as follows:

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<i>Commodity</i>	<i>Country</i>	<i>Value</i>	<i>Short tons</i>
	United States and		
Motorcycles	Canada	\$16,558,429	2,877
Motorcycles	Europe	1,646,144	285
Motorcycles	Others	113,103	19
Total:		\$18,317,676	3,181

Nonprivileged foreign merchandise received at the subzone during the fiscal year amounted to 677 short tons, valued at \$2,058,120.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$642,835.

Income and Expenditures

Income and expenditures of the Honda subzone for fiscal 1980 is shown in table 26.

Table 26.—*Summary of Income and Expenditures, Honda Subzone No. 46B—Fiscal Year 1980*

<i>Item</i>	<i>1980</i>
INCOME	
Payments from Honda of America	\$11,551
EXPENDITURES	
Salaries and wages paid to zone employees	\$ 1,154
Reimbursement to U.S. Customs Service	8,701
All other	1,696
Total	\$11,551

Foreign-Trade Zone No. 47 Campbell County, Kentucky Grantee: Greater Cincinnati Foreign- Trade Zone, Inc.

Foreign-Trade Zone No. 47 (site 1) is operated for the Northern Kentucky Port Authority (N.K.P.A.) by Hosea International, a total export/import and distribution service firm. The zone is located immediately off I-275, which encircles the Greater Cincinnati area. The facility is approximately 10 miles from both the Greater Cincinnati Airport and downtown Cincinnati.

This is the zone's first full year of operation since being dedicated on August 17, 1979. During the year, the operator held a series of seminars for local companies and tours for interested business organizations (world trade club, materials management, purchasing, etc.) explaining the zone and its advantages.

In addition, all of the operator's affiliate offices, both domestic and international, were contacted and informed about the zone and its' relationship to N.K.P.A.

Furthermore, the Northern Kentucky Department of Commerce and the State's Port and River Development Commission have been very aggressive in their promotion of the zone as part of a package of incentives to encourage companies thinking of moving into the State.

Northern Kentucky is a fast-growing industrial area. The State is internationally oriented with over 17.5 percent of its manufacturers presently involved in international trade (over 2½ times the national average). In the last year, there has been a 23-percent increase in the number of companies exporting. The State estimates that over \$2 billion worth of goods was exported last year.

We feel that the establishment of the Northern Kentucky Port Authority's Foreign-Trade Zone No. 47 is another indication of the commitment that the area has in international trade.

Use of the Zone by Business Firms

The zone served six business firms during fiscal 1980. Of these

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firms, one occupied zone facilities on a continuous basis. There were no full-time employees in the zone.

Manipulations and manufacturing operations carried out in the zone included the following:

Auto glass: Inspect and sort.

Ball valves: Inspect, match handles to units, and repack for export.

Industrial knives: Inspect, repack, and relabel for export.

Machine tools, lathes: Inspect.

PVC sheeting: Sort by model, color, and order number for shipment.

Movement of Merchandise in Fiscal Year 1980

The zone handled six different commodities from six countries of origin, compared with two commodities from two countries during the preceding fiscal year.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	19,348	24	87,451	13
Of domestic origin	None	None	None	None
Total	19,348	24	87,451	13

Movement of Merchandise During Year

<i>Received</i>		Dollars	Short tons
From U.S. Customs territory		None	None
From foreign countries		851,599	90
Total		851,599	90
<i>Forwarded</i>			
To U.S. Customs territory		734,421	97
To foreign countries		49,074	4
Total		783,496	101

The five leading commodities of foreign origin were as follows, by value and weight:

<i>Value</i>		<i>Short tons</i>	
Lathes	\$494,985	Lathes	55
Valves	265,025	Valves	28
Machine knives	35,000	Auto glass	24
PVC sheeting	31,590	PVC sheeting	9
Antiques	25,000	Machine knives	2

The five leading countries of origin in commodities received were, by value and weight:

	<i>Value</i>		<i>Short tons</i>
Japan	\$494,985	Japan	55
United Kingdom	290,937	United Kingdom	29
Taiwan	31,590	Finland	24
Lebanon	25,000	Taiwan	9
Finland	19,348	Italy	1

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to 90 short tons, valued at \$51,599.

Customs collection of duties on merchandise entered from the zone during this fiscal year was \$47,802.

Occupancy

The average percentage of occupancy of space with customary allowances for aisles during the fiscal year was as follows:

	<i>Percent</i>
Covered space	24
Uncovered space	1

This represented 25 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the Campbell County zone for fiscal year 1980 is shown in table 27.

Table 27.—*Summary of Income and Expenditures, Campbell County zone—Fiscal Year 1980*

<i>Item</i>	<i>1980</i>
	INCOME
Operating income	\$ 2,710
	EXPENDITURES
Zone lease and management	\$61,634
All other expenses	7,139
Total	\$68,773

Foreign-Trade Zone No. 55

Burlington, Vermont

Grantee: Greater Burlington Industrial Corporation

Foreign-Trade Zone No. 55 was approved February 14, 1980, and opened with its first tenant on May 15, 1980. This zone is located at the Burlington International Airport in South Burlington, Vermont, with one 16,000-square foot building on 12 acres of land. The first tenant, Mitel Microelectronics, moved in with a modest manufacturing and inspection operation occupying 8,600 square feet and employing 21 workers by September 30, 1980.

Mitel, a Canadian electronics firm, manufactures sophisticated telephone switching equipment—which is sold and shipped to the United States, to Canada, and worldwide. Parts and components used in this process originate offshore and in Canada as well as from the United States. Both truck and air transportation are used in shipping and receiving. All 21 employees are U.S. citizens from the Burlington area who have been hired and trained since April 1980.

Zone No. 55 is less than an hour's drive via a U.S. interstate highway from the Canadian border and is only 1½ hours from Montreal, Canada. The location on the ramp at Burlington's International Airport is most attractive with good, direct airline service via four airlines to cities as distant as Miami and Chicago and with five major Canadian and U.S. truckers offering good common-carrier service to all of the United States and Canada. Excellent overseas surface and air connections are available from Montreal, Boston, and New York.

Zone expansion plans include Canadian and U.S. firms, some with operations in nearby Quebec, who can gain easier access to the American market at lower costs through the use of the zone for manufacturing and/or warehouse and distribution facilities.

Use of the Zone by Business Firms

The zone served one business firm during fiscal 1980. This firm occupied zone facilities on a continuous basis, employing up to 21

persons at one time—21 of whom were full-time employees.

Manipulations and manufacturing operations carried out in the zone included the following:

Telephone switching equipment (component parts): Test and assemble.

Movement of Merchandise in Fiscal Year 1980

The zone handled three different commodities from three countries of origin during its first 4 months of operation.

Merchandise in Zone

	Beginning of FY 1980		End of FY 1980	
	Dollars	Short tons	Dollars	Short tons
Of foreign origin	None	None	870,406	6.04
Of domestic origin	None	None	300,710	5.38
Total	None	None	1,171,116	11.42

Movement of Merchandise During Year

<i>Received</i>	Dollars	Short tons
From U.S. Customs territory	511,347	6.04
From foreign countries	988,832	6.51
Total	1,500,179	12.55
<i>Forwarded</i>		
To U.S. Customs territory	210,637	.66
To foreign countries	109,060	.42
Total	319,697	1.08

The leading commodities of foreign origin were as follows, by value and weight:

	Value		Short tons
Integrated circuits	\$843,690	Integrated circuits	3.90
Electronic equipment	138,150	Furniture	.77
Furniture	3,876	Electronic equipment	1.80

The leading countries of origin in commodities received were as follows, by value and weight:

	Value		Short tons
Canada	\$979,465	Canada	6.49
United States	511,347	United States	6.04
Federal Republic of Germany	9,367	Federal Republic of Germany	.04

No nonprivileged foreign merchandise was received at the zone during the fiscal year.

Customs collection of duties on merchandise entered from the zone during the fiscal year was \$10,170.

Occupancy

The average percent of occupancy of space with customary allowances for aisles during the fiscal year was 59 percent. This represented 49 percent use of overall zone space for income-producing purposes.

Income and Expenditures

Income and expenditures of the Burlington zone for fiscal year 1980 is presented in table 28.

Table 28.—*Summary of Income and Expenditures, Burlington Foreign-Trade Zone—Fiscal Year 1980*

Item	1980
INCOME	
Operating contributions	\$24,812
Rental	5,300
Total	\$30,112
EXPENDITURES	
All expenses	\$15,866

Foreign-Trade Zone No. 57

Charlotte, North Carolina

Grantee: North Carolina Department of Commerce

The Charlotte Foreign-Trade Zone, Zone 57, received its grant of authority from the Foreign-Trade Zones Board on April 28, 1980, and went into operation on June 1, 1980. It is a general-purpose zone located in Mecklenburg County, Charlotte, North Carolina, approximately 10 miles from Douglas Airport. The zone consists of two sites. Site 1 is a 100,000-square foot warehouse with a 24-foot ceiling, sprinkler fire-protection systems, ample rail and truck docks, a security alarm system, outdoor and indoor lighting, electricity, telephone, and storm and sanitary sewer systems. Site 2 is 120,000 square feet of storage space with the same facilities as Site 1, except for rail space and shipping rates, which are available for North and South Carolina. An IBM Systems/34 is utilized to consolidate and systematize recordkeeping. Pending approval by the Foreign-Trade Zones Board, phase two of the zone's operations will be taking shape in an industrial park in the near future to provide warehousing, storage, manufacturing and office space, and a showroom for the display of goods. During the 3 months it was operational in fiscal year 1980, the zone attracted two warehousing users and numerous other prospects for the future. Two entries were made of nonprivileged goods—one commodity from France, valued at \$7,023, and the other from West Germany, valued at \$8,144, entered the zone. This merchandise remained in the zone at the end of the fiscal year; therefore, no customs duties were collected during the reported period. There was no manufacturing nor manipulation carried out in the zone during this reported period.

The promotion of the zone was carried out in cooperation with the North Carolina Department of Commerce, the Charlotte Chamber of Commerce, and Piedmont Distribution Center's programs to encourage economic development through use of the zone, which will create employment and future growth of International Charlotte. The firms engaged in international commerce are being

referred to the zone by the various State and local officials as part of their efforts to attract new business into the area.

The zone is receiving considerable publicity through advertising, business seminars, civic presentations, the press and other means that serve to promote the project.

Movement of Merchandise in Fiscal Year 1980

The zone handled two commodities from two countries of origin during its first 3 months of operation.

<i>Merchandise in Zone</i>				
	Beginning of FY 1980		End of FY 1980	
	<i>Dollars</i>	<i>Short tons</i>	<i>Dollars</i>	<i>Short tons</i>
Of foreign origin	None	None	15,167	.18
Of domestic origin	None	None	None	None
Total	None	None	15,167	.18

No merchandise was received in or forwarded from the zone during the year.

The leading commodity of foreign origin was as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Textile machinery parts	\$15,167	.183

The countries of origin of commodities received were as follows, by value and weight:

	<i>Value</i>	<i>Short tons</i>
Federal Republic of Germany	\$ 8,144	.110
France	7,023	.073

Nonprivileged foreign merchandise received at the zone during the fiscal year amounted to .183 short tons valued at \$15,167.

Occupancy

Of the 100,000 square feet of covered space available at Site 1, 20,000 square feet was occupied.

There is no open space available for outdoor storage.

Income and Expenditures

Income and expenditures of the Charlotte zone for fiscal year 1980 is shown in table 29.

Table 29.—*Summary of Income and Expenditures, Charlotte Foreign-Trade Zone—Fiscal Year 1980*

Item	1980
INCOME	
Handling income	\$ 40
Storage income	60
Other income	20
Total	\$ 120
EXPENDITURES	
Salaries and wages paid to zone employees	\$ 2,761
Advertising and business promotion	5,879
Rental of space	3,259
Depreciation expense	1,277
Other administrative and warehouse expenses	2,521
Total	\$15,697

Appendix A

Foreign Trade Zones Act, As Amended

Foreign-Trade Zones Act, Public Law 397, 73rd Congress, approved June 19, 1934 (48 Stat. 998-1003; 19 U.S.C. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950, and Public Law 791, 85th Congress, approved Aug. 28, 1958.

AN ACT

To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That when used in this act—

(a) The term "Secretary" means the Secretary of Commerce;

(b) The term "Board" means the Board which is hereby established to carry out the provisions of this act. The Board shall consist of the Secretary of Commerce, who shall be chairman and executive officer of the Board, the Secretary of the Treasury, and the Secretary of the Army;

(c) The term "State" includes any State, the District of Columbia, Alaska, Hawaii, and Puerto Rico;

(d) The term "corporation" means a public corporation and a private corporation, as defined in this act;

(e) The term "public corporation" means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States;

(f) The term "private corporation" means any corporation (other than a public corporation) which is organized for the purpose of establishing, operating, and maintaining a foreign-trade zone and which is chartered under special act enacted after the

date of enactment of this act of the State or States within which it is to operate such zone;

(g) The term "applicant" means a corporation applying for the right to establish, operate, and maintain a foreign-trade zone;

(h) The term "grantee" means a corporation to which the privilege of establishing, operating, and maintaining a foreign-trade zone has been granted;

(i) The term "zone" means a "foreign-trade zone" as provided in this act.

SEC. 2. (a) The Board is hereby authorized, subject to the conditions and restrictions of this act and of the rules and regulations made thereunder, upon application as hereinafter provided, to grant to corporations the privilege of establishing, operating, and maintaining foreign-trade zones in or adjacent to ports of entry under the jurisdiction of the United States.

(b) Each port of entry shall be entitled to at least one zone, but when a port of entry is located within the confines of more than one State such port of entry shall be entitled to a zone in each of such States, and when two cities separated by water are embraced in one port of entry, a zone may be authorized in each of said cities or in territory adjacent thereto. Zones in addition to those to which a port of entry is entitled shall be authorized only if the Board finds that existing or authorized zones will not adequately serve the convenience of commerce.

(c) In granting applications preference shall be given to public corporations.

(d) In case of any State in which harbor facilities of any port of entry are owned and controlled by the State and in which harbor facilities of any other port of entry are owned and controlled by a municipality, the Board shall not grant an application by any public corporation for the establishment of any zone in such State, unless such application has been authorized by an act of the legislature of such State (enacted after the date of enactment of this act).

SEC. 3. Foreign and domestic merchandise of every description, except such as is provided by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this Act, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this Act, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting

imported merchandise: *Provided*, That whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the collector of customs shall take under supervision any lot or part of a lot of foreign merchandise in a zone, cause it to be appraised and taxes determined and duties liquidated thereon. Merchandise so taken under supervision may be stored, manipulated, or manufactured under the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above: *Provided further*, That subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal-revenue taxes have been paid, if subject thereto, and articles previously imported on which duty and/or tax has been paid, or which have been admitted free of duty and tax, may be taken into a zone from the customs territory of the United States, placed under the supervision of the collector, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax: *Provided further*, That if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter customs territory of the United States as foreign merchandise under the provision of the tariff and internal-revenue laws in force at that time: *Provided further*, That under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors),

or storage, shall be considered to be exported for the purpose of—

(a) the draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

(b) the statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for internal-revenue taxes and for the purposes of the internal-revenue laws generally and the regulations thereunder.

Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles shall be subject to the provisions of paragraph 1615(f) of the Tariff Act of 1930, as amended: *Provided further*, That no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26, or chapter 32 of the Internal Revenue Code if performed in customs territory, or involving the manufacture of any article provided for in paragraph 367 or paragraph 368 of the Tariff Act of 1930, shall be permitted in a zone except those operations (other than rectification of distilled spirits and wines, or the manufacture or production of alcoholic products unfit for beverage purposes) which were permissible under this Act prior to July 1, 1949: *Provided further*, That articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second provision of this section, may, on such importation, be entered as American goods returned.

SEC. 4. The Secretary of the Treasury shall assign to the zone the necessary customs officers and guards to protect the revenue and to provide for the admission of foreign merchandise into customs territory.

SEC. 5. Vessels entering or leaving a zone shall be subject to the operation of all the laws of the United States, except as otherwise provided in this act, and vessels leaving a zone and arriving in customs territory of the United States shall be subject to such regulations to protect the revenue as may be prescribed by the Secretary of the Treasury. Nothing in this act shall be construed

in any manner so as to permit vessels under foreign flags to carry goods or merchandise shipped from one foreign trade zone to another zone or port in the protected coastwise trade of the United States.

SEC. 6. (a) Each application shall state in detail—

(1) The location and qualification of the area in which it is proposed to establish a zone, showing (A) the land and water or land or water area or land area alone if the application is for its establishment in or adjacent to an interior port; (B) the means of segregation from customs territory; (C) the fitness of the area for a zone; and (D) the possibilities of expansion of the zone area;

(2) The facilities and appurtenances which it is proposed to provide and the preliminary plans and estimate of the cost thereof, and the existing facilities and appurtenances which it is proposed to utilize;

(3) The time within which the applicant proposes to commence and complete the construction of the zone and facilities and appurtenances;

(4) The methods proposed to finance the undertaking;

(5) Such other information as the Board may require.

(b) The Board may upon its own initiative or upon request permit the amendment of the application. Any expansion of the area of an established zone shall be made and approved in the same manner as an original application.

SEC. 7. If the Board finds that the proposed plans and location are suitable for the accomplishment of the purpose of a foreign trade zone under this act, and that the facilities and appurtenances which it proposed to provide are sufficient it shall make the grant.

SEC. 8. The Board shall prescribe such rules and regulations not inconsistent with the provisions of this act, or the rules and regulations of the Secretary of the Treasury made hereunder and as may be necessary to carry out this act.

SEC. 9. The Board shall cooperate with the State, subdivision and municipality in which the zone is located in the exercise of their police, sanitary, and other powers in and in connection with the free zone. It shall also cooperate with the United States Customs Service, the Post Office Department, the Public Health Service, the Bureau of Immigration, and such other Federal agencies as have jurisdiction in ports of entry described in section 2.

SEC. 10. For the purpose of facilitating the investigations of the Board and its work in the granting of the privilege, in the establishment, operation, and maintenance of a zone, the President may direct the executive departments and other establishments of the Government to cooperate with the Board, and for such purpose each of the several departments and establishments is authorized, upon direction of the President, to furnish to the Board such rec-

ords, papers, and information in their possession as may be required by him, and temporarily to detail to the service of the Board such officers, experts, or engineers as may be necessary.

SEC. 11. If the title to or right of user of any of the property to be included in a zone is in the United States, an agreement to use such property for zone purposes may be entered into between the grantee and the department or officer of the United States having control of the same, under such conditions, approved by the Board and such department or officer, as may be agreed upon.

SEC. 12. Each grantee shall provide and maintain in connection with the zone—

(a) Adequate slips, docks, wharves, warehouses, loading and unloading and mooring facilities where the zone is adjacent to water; or, in the case of an inland zone, adequate loading, unloading, and warehouse facilities;

(b) Adequate transportation connections with the surrounding territory and with all parts of the United States, so arranged as to permit of proper guarding and inspection for the protection of the revenue;

(c) Adequate facilities for coal or other fuel and for light and power;

(d) Adequate water and sewer mains;

(e) Adequate quarters and facilities for the officers and employees of the United States, State, and municipality whose duties may require their presence within the zone;

(f) Adequate enclosures to segregate the zone from customs territory for protection of the revenue, together with suitable provisions for ingress and egress of persons, conveyances, vessels, and merchandise;

(g) Such other facilities as may be required by the Board.

SEC. 13. The grantee may, with the approval of the Board, and under reasonable and uniform regulations for like conditions and circumstances, to be prescribed by it, permit other persons, firms, corporations, or associations to erect such buildings and other structures within the zone as will meet their particular requirements: *Provided*, That such permission shall not constitute a vested right as against the United States nor interfere with the regulation of the grantee or the permittee by the United States, nor interfere with or complicate the revocation of the grant by the United States; *And provided further*, That in the event of the United States or the grantee desiring to acquire the property of the permittee no good will shall be considered as accruing from the privilege granted to the zone: *And provided further*, That such permits shall not be granted on terms that conflict with the public use of the zone as set forth in this act.

SEC. 14. Each zone shall be operated as a public utility, and all rates and charges for all services or privileges within the zone shall be fair and reasonable, and the grantee shall afford to all who may apply for the use of the zone and its facilities and appurtenances uniform treatment under like conditions, subject to such treaties or commercial conventions as are now in force or may hereafter be made from time to time by the United States with foreign governments, and the cost of maintaining the additional Customs Service required under this act shall be paid by the operator of the zone.

SEC. 15. (a) No person shall be allowed to reside within the zone except Federal, State, or municipal officers or agents whose resident presence is deemed necessary by the Board.

(b) The Board shall prescribe rules and regulations regarding employees and other persons entering and leaving the zone. All rules and regulations concerning the protection of the revenue shall be approved by the Secretary of the Treasury.

(c) The Board may at any time order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health, or safety.

(d) No retail trade shall be conducted within the zone except under permits issued by the grantee and approved by the Board. Such permittees shall sell no goods except such domestic or duty-paid or duty-free goods as are brought into the zone from customs territory.

SEC. 16. (a) The form and manner of keeping the accounts of each zone shall be prescribed by the Board.

(b) Each grantee shall make to the Board annually, and at such other times as it may prescribe, reports containing a full statement of all the operations, receipts, and expenditures, and such other information as the Board may require.

(c) The Board shall make a report to Congress on the first day of each regular session, containing a summary of the operation and fiscal condition of each zone and transmit therewith copies of the annual report of each grantee.

SEC. 17. The grant shall not be sold, conveyed, transferred, set over, or assigned.

SEC. 18. (a) In the event of willful violations of any of the provisions of this act by the grantee, the Board may revoke the grant after four months' notice to the grantee and affording it an opportunity to be heard. The testimony taken before the Board shall be reduced to writing and filed in the records of the Board, together with the decision reached thereon.

(b) In the conduct of any proceeding under this section for the revocation of a grant the Board may compel the attendance of witnesses and the giving of testimony and the production of docu-

mentary evidence, and for such purpose may invoke the aid of the district courts of the United States.

(c) An order under the provisions of this section revoking the grant issued by the Board shall be final and conclusive, unless within ninety days after its service the grantee appeals to the circuit court of appeals for the circuit in which the zone is located by filing with the clerk of said court a written petition praying that the order of the Board be set aside. Such order shall be stayed pending the disposition of appellate proceedings by the court. The clerk of the court in which such a petition is filed shall immediately cause a copy thereof to be delivered to the Board, and it shall thereupon file in the court the record in the proceedings held before it under this section, as provided in section 2112 of title 28, United States Code. The testimony and evidence taken or submitted before the Board, duly certified and filed as a part of the record, shall be considered by the court as the evidence in the case.

SEC. 19. In the case of a violation of this act, or any regulation under this act, by the grantee, any officer, agent, or employee thereof responsible for or permitting any such violation shall be subject to a fine of not more than \$1,000. Each day during which a violation continues shall constitute a separate offense.

SEC. 20. If any provision of this act or the application of such provision to certain circumstances be held invalid, the remainder of the act and the application of such provisions to circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 21. The right to alter, amend, or repeal this act is hereby reserved.

Approved, June 18, 1934.

Appendix B

U.S. FOREIGN-TRADE ZONES

Zone No. 1, New York City—Brooklyn Navy Yard, Brooklyn, New York 11205, Sol Braun, 212/834-1300. Warehouse and processing facility in Bldg. 77 of the Navy Yard with approved zone area of 240,000 square feet, sponsored by New York City's Department of Ports and Terminals.

Zone No. 2, New Orleans—P.O. Box 60046, New Orleans, Louisiana 70160, Robert Dee, 504/897-0189. Wharf on the Mississippi at Napoleon Avenue with 19 acres containing warehouse and processing facilities, sponsored by the Port of New Orleans.

Zone No. 3 and Subzone 3-A, San Francisco—Foreign Trade Services, Inc., Pier 23, San Francisco, California 94111, Ed Osgood, 415/391-0176. Piers 19 and 23 on the Embarcadero consisting of over 225,000 square feet of covered space and a special-purpose subzone, sponsored by the San Francisco Port Commission.

Zone No. 5, Seattle—P.O. Box 1209, Seattle, Washington 98111, R. C. McQuigg, 206/382-3275. Warehouse with 49,500 square feet at Terminal 106, sponsored by the Port of Seattle.

Zone No. 7, Mayaguez, Puerto Rico—G.P.O. 2350, San Juan, Puerto Rico 00936, Neil Montilla, 809/767-4747. Industrial park of 44 acres, sponsored by Puerto Rico Industrial Dev. Co.

Zone No. 8, Toledo—3332 St. Lawrence Drive, Toledo, Ohio 43605, Frank E. Miller, 419/698-8026. Warehouse/processing facility with 130,000 square feet situated within the Port of Toledo's 135-acre general cargo facility on Lake Erie, sponsored by the Port.

Zone No. 9 and Subzone 9-A, Honolulu—Pier 39, Honolulu, Hawaii 96817, Homer Maxey, 808/548-5435. Pier 39 harbor terminal with over 235,000 square feet of space for warehousing, exhibiting, and processing, and a special-purpose subzone, sponsored by Hawaii's Department of Planning and Economic Dev.

Zone No. 12, McAllen, Texas—6401 South 33rd Street, McAllen, Texas 78501, Frank Birkhead, 512/682-4306. Industrial park with 40 acres near Mexican border, sponsored by McAllen Trade Zone, Inc., a nonprofit economic development corporation.

Zone No. 14, Little Rock, Arkansas—Little Rock Port Authority, 7500 Lindsey Road, Little Rock, Arkansas 72206, Robert Brave, 501/490-1468. Industrial park of 28 acres on Arkansas River, sponsored by Arkansas Department of Industrial Development.

Zone No. 15, Kansas City, Missouri—920 Main Street, Kansas City, Missouri 64105, R. Chris Wyatt, 816/421-7666. Site No. 1—Warehouse of 250,000

square feet. Site No. 2—Underground warehouse/processing facility of 2.8 million square feet. Site No. 3—Warehouse complex with 75,000 square feet of warehouse processing space near Kansas City Int'l Airport. All sites sponsored by Greater Kansas City Foreign-Trade Zone, Inc., a nonprofit corporation.

Zone No. 16, Sault Ste. Marie, Michigan—Sault Industrial Park, Sault Ste. Marie, Michigan 49783, James Knight, 906/635-9131. A 17-acre zone within a 57-acre industrial park, sponsored by Michigan Department of Commerce.

Zone No. 17, Kansas City, Kansas—Greater Kansas City Foreign-Trade Zone, Inc., 920 Main Street, 600 CharterBank Center, Kansas City, Missouri 64105, R. Chris Wyatt, 816/421-7666. Undergrd warehouse/processing facility of 405,000 square feet, same sponsor as Zone No. 15.

Zone No. 18, San Jose, California—2001 Fortune Drive, San Jose, California 95131, Mark Mariana, 408/263-5000. Industrial park facility of 30 acres within the 500-acre International Business Park, sponsored by City of San Jose.

Zone No. 19, Omaha, Nebraska—Omaha Douglas Civic Center #304, 1819 Farnam Street, Omaha, Nebraska 68183, Irvin H. Smith, 402/444-5921. Warehouse/processing facility of 20,000 square feet within the City's 18-acre municipal dock complex, sponsored by the Omaha Dock Board.

Zone No. 20, Suffolk, Virginia—1600 Maritime Tower, Norfolk, Virginia 23510, John Hunter, 804/622-1671. Warehouse facility of 105,000 square feet on a 20-acre site, sponsored by the Virginia Port Authority.

Zone No. 21, Dorchester County, South Carolina—2725 West 5th North Street, Summerville, South Carolina 29483, A. M. Quattlebaum, 803/871-4870. Warehouse/processing facility of 20 acres within the 200-acre Tri-County Industrial Park, sponsored by the South Carolina State Ports Authority.

Zone No. 22, Chicago, Illinois—12700 Butler Drive, Lake Calumet Harbor, Chicago, Illinois 60633, Thomas Ryan, 312/646-4400. Industrial park of 25 acres with 116,000-square foot warehouse located on the Lake Calumet Harbor sea channel, sponsored by the Chicago Regional Port District.

Zone No. 23, Buffalo, New York—901 Fuhrmann Boulevard, Buffalo, New York 14202, George K. Keitner, 716/856-4436. Zone of 15 acres within the Niagara Frontier Transportation Authority's 200-acre marine terminal on Buffalo's outer harbor, sponsored by the County of Erie.

Zone No. 24 and Subzone 24-A, Pittston, Pennsylvania—Eastern Distribution Center, Inc., P.O. Box 762, Pittston, Pennsylvania 18640, James Pettinger, 717/655-5563. Zone of 42 acres within the 265-acre Eastern Distribution Center, located midway between Scranton and Wilkes-Barre, Pennsylvania, adjacent to the Wilkes-Barre/Scranton International Airport, sponsored by Eastern Distribution Center, Inc. The special-purpose subzone is at the typewriter assembly plant of Olivetti, located on a 100-acre tract at 2800 Valley Road, Harrisburg, Pennsylvania.

Zone No. 25, Port Everglades, Broward County, Florida—P.O. Box 13136, Port Everglades, Florida 33316, Albert J. Redhammer, 305/523-3404. Warehouse facility on 82 acres within a 260-acre area of the port authority, sponsored by the Board of Commissioners of the Port Everglades Authority.

Zone No. 26, Shenandoah, Coweta County, Georgia—Atlanta Foreign-Trade Zone, 50 Amlajack Boulevard, Shenandoah, Georgia 30265, Richard Naspinski, 404/581-2500. Industrial park of 33-acres within a 1,200-acre industrial park in

BEST DOCUMENT AVAILABLE

Shenandoah (a new town adjacent to Newnan, Georgia), Coweta County, which adjoins the Atlanta Customs Port of Entry, sponsored by the Georgia Foreign Trade Zone, Inc.

Zone No. 27 and Subzone 27A—Massport, 99 High Street, Boston, Massachusetts 02110, Carolyn Yee, 617/482-2930. Zone consisting of three sites, all located in South Boston very close to each other and to the airport and seaport facilities and within one mile of downtown Boston. Each site has existing rail access as well as close proximity to major highways. The special-purpose subzone is located at the textile manufacturing plant of the Sterlingwale Corp., 168 Stevens Street, Fall River, Massachusetts, sponsored by the Massachusetts Port Authority.

Zone No. 28, New Bedford, Massachusetts—Industrial Development Commission, 1213 Purchase Street, New Bedford, Massachusetts 02740, Norman A. Bergeron, 617/997-6501. Industrial park of 22 acres within a 52-acre industrial park complex in the northwestern section of the city, adjacent to the New Bedford Municipal Airport and 2.5 miles from the New Bedford port facilities, sponsored by the City of New Bedford.

Zone No. 29, Louisville, Kentucky—6310 Cane Run Road, Louisville, Kentucky 40258, James Kellow, 502/935-6024. Zone of 12 acres within an industrial park adjacent to the port, sponsored by Louisville and Jefferson County Riverport Authority.

Zone No. 30, Salt Lake City, Utah—Rm. 314, City and County Building, Salt Lake City, Utah 84111, Shizuko K. Zupon, 801/535-7902. Zone of 33 acres within the 740-acre Salt Lake International Center business park located in Salt Lake City adjacent to the Salt Lake City International Airport, sponsored by Salt Lake City Corporation.

Zone No. 31, Granite City, Illinois—2801 Rock Road, Granite City, Illinois 62040, Oscar Nazetta, 618/877-8444. General-purpose zone of 47 acres within the 127-acre Tri-City Industrial Center located on the western limits of Granite City, adjacent to the Chain of Rocks Canal and within 10 miles of downtown St. Louis, sponsored by Tri-City Regional Port District.

Zone No. 32, Miami, Florida—391 N.E. 15th Street, Miami, Florida 33132, Sandra Gonzalez, 305/350-7700. General-purpose zone on a 73-acre tract west of the Miami International Airport, sponsored by Greater Miami Foreign Trade Zone, Inc.

Zone No. 33 and Subzone 33A, Pittsburgh, Pennsylvania—534 Union Trust Building, Pittsburgh, Pennsylvania 15219, Frank Brooks Robinson, 412/471-3939. Industrial park of 36 acres within RIDC Park West in Allegheny County near the Greater Pittsburgh International Airport, sponsored by Regional Industrial Development Corporation of Southwestern Pennsylvania. The special-purpose subzone encompasses a 147-acre portion of the new Volkswagen Manufacturing Corporation of America assembly plant in Westmoreland County, some 35 miles southeast of Pittsburgh.

Zone No. 34, Niagara County, New York—County Office Building, 59 Park Avenue, Lockport, New York 14094, Theodore J. Belling, 716/439-6033. Industrial park of 50 acres within the 130-acre Lew-Port Industrial Park located in the Townships of Porter and Lewiston, approximately 8 miles north of the City of Niagara Falls, sponsored by the County of Niagara.

Zone No. 35, Philadelphia, Pennsylvania—DVFTZ, Inc., 7800 Holstein Avenue, Philadelphia, Pennsylvania 19153, Harold E. Cash, 215/365-5010. 72 acres adjacent to Philadelphia International Airport with Building "A" a 40,000 square foot multi-tenant, warehouse/processing/manufacturing facility with 5,000 square foot modules available. Warehouse/processing/manufacturing facilities at Pier 78 South, sponsored by The Philadelphia Port Corporation.

Zone No. 36, Galveston, Texas—Galveston Wharves, P.O. Box 328, Galveston, Texas 77550, John Massey, Jr., 713/765-5996. Zone encompasses 884 acres adjacent to the Galveston Ship Channel on Pelican and Galveston Islands, sponsored by the City of Galveston.

Zone No. 37, Orange County, New York—Foreign Trade Development Company of Orange County, Inc., P.O. Box 6147, Stewart Airport, Newburgh, New York 12550, Albert Randall, 914/564-7700. Two zone sites, one being within the Sage Building at Stewart Airport (a former military facility now owned by the State) and the other within a planned 65-acre industrial park about a 1-mile distant, adjacent to the New York City Customs port of entry, sponsored by the County of Orange.

Zone No. 38, Spartanburg County, South Carolina—2725 West 5th North Street, Summerville, South Carolina 29483, A. M. Quattlebaum, 803/871-4870. Warehouse/processing facility located on a 20-acre tract within 10 miles of Spartanburg, sponsored by the South Carolina State Ports Authority.

Zone No. 39, Dallas/Fort Worth, Texas—Dallas/Fort Worth Airport, P.O. Drawer DFW, Dallas/Fort Worth Airport, Texas 75261, James Alderson, 214/574-6720. Zone of 250 acres within the northeastern portion of the Dallas/Fort Worth Airport at Radio Road and State Highway 114, in Dallas County, sponsored by Dallas/Fort Worth Regional Airport Board.

Zone No. 40, Cleveland, Ohio—101 Erieside Avenue, Cleveland, Ohio 44114, John Desmond, 216/241-8004. Warehouse-type facility on a 14-acre parcel in the Cleveland Harbor area at Access Road and West 9th Street, sponsored by Cleveland-Cuyahoga County Port Authority.

Zone No. 41 and Subzones 41A & 41B, Milwaukee, Wisconsin—Foreign Trade Zone of Wisconsin, Ltd., 8512 West Bradley Road, Milwaukee, Wisconsin 53224, Vincent J. Boever, 414/354-4404. General-purpose zone of 46 acres within the Northwestern Industrial Park, owned by the City and located at North 87th Street and West Bradley Road, Milwaukee; a special-purpose subzone at the American Motors Corporation automobile assembly plant in Kenosha; and a special-purpose subzone at a manufacturing facility of the Muskegon Piston Ring Company in Manitowoc, sponsored by Foreign Trade Zone of Wisconsin, Ltd.

Zone No. 42, Orlando, Florida—Orlando International Airport, 4101 East 9th Street, Orlando, Florida 32812, William Blood, 305/859-9485. Zone encompasses 201 acres at the Orlando International Airport, about 8 miles south of downtown Orlando, sponsored by Greater Orlando Aviation Authority.

Zone No. 43, Battle Creek, Michigan—BC/CAL/KAL Inland Port Authority of South Central Michigan Development Corp., P.O. Box 1438, Battle Creek, Michigan 49016, Marilyn E. Parks, 616/968-8197. Cargo facility of 23 acres within the 2,400-acre Fort Custer Industrial Park in Battle Creek, sponsored by City of Battle Creek.

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Zone No. 44, Morris County, New Jersey—Office of International Trade, 744 Broad Street, Room 1709, Newark, New Jersey 07102, Joseph Brady, 201/648-3518. Industrial park of 76 acres within the 650-acre Lakeland Industrial Park, in the Township of Mt. Olive, Morris County, New Jersey.

Zone No. 45 and Subzone 45A, Portland, Oregon—P.O. Box 3529, Portland Oregon 97208, Vernon Chase, 503/231-5000. Industrial park of 66 acres located in the Rivergate industrial district immediately north of the City of Portland, adjacent to the port's Terminal 6 on the Columbia River. The subzone is at the steel pipe manufacturing facility of the Beall Pipe and Tank Corp. at 12005 North Burgard Road, in Portland, sponsored by the Port of Portland.

Zone No. 46 and Subzones 46A & 46B, Cincinnati, Ohio—120 West Fifth Street, Cincinnati, Ohio 45202, Joe Kramer, 513/579-3143. Industrial park of about 100 acres located some 25 miles north of Cincinnati in the southern portion of Butler County. The subzones are at the General Electric aircraft assembly plant in Evendale, Ohio, and at the new Honda motorcycle plant near Columbus, Ohio, sponsored by Greater Cincinnati Foreign-Trade Zone, Inc.

Zone No. 47, Campbell County, Kentucky—N. Kentucky Port Authority, 400 Licking Pike, Wilder, Kentucky 41071, Robert Vogt, 606/581-1444. Industrial park at two separate sites in Campbell County, about 10 miles south of Cincinnati, same sponsor as Zone No. 46.

Zone No. 48, Tucson, Arizona—Papago Agency, P.O. Box 578, Sells, Arizona 85634, William Tatom, 602/383-2611 x5330. Industrial park of 23 acres located in the San Xavier Industrial Park adjacent to the Tucson International Airport and the City of Tucson, sponsored by Papago-Tucson Foreign-Trade Zone Corporation.

Zone No. 49, Newark/Elizabeth, New Jersey—One World Trade Center, Room 64 West, New York, New York 10048, Catherine Durda, 212/466-7985. General-purpose zone at two existing warehouse structures within the Newark/Elizabeth-Port Authority Marine Terminal seaport complex in Newark and Elizabeth, New Jersey, sponsored by Port Authority of New York and New Jersey.

Zone No. 50, Long Beach, California—Board of Harbor Commissioners of the Port of Long Beach, P.O. Box 570, Long Beach, California 90801, George Gray, 213/437-0041. General-purpose zone of 10.5 acres within an 82-acre undeveloped industrial tract in northwest Long Beach, near the intersection of the San Diego and Long Beach Freeways. Two structures of 60,000 and 80,000 square feet will be the zone's first buildings, sponsored by Board of Harbor Commissioners of the Port of Long Beach.

Zone No. 51, Duluth, Minnesota—Seaway Port Authority of Duluth, 1200 Port Terminal Drive, P.O. Box 6877, Duluth, Minnesota 55808, Jerome Marks, 218/727-8525. Zone of 1.3 acres within the 120-acre Arthur M. Clure Public Marine Terminal on Superior Bay. The construction of a 10,000-square foot, general-purpose warehouse facility is planned.

Zone No. 52, Suffolk County, New York—Suffolk County Department of Economic Development, 4175 Veterans Memorial Hwy., Ronkonkoma, New York 11779, Joseph C. Giacalone, 516/588-1000. Zone of 52.6 acres on land owned by the Township of Islip on the South boundary of the Long Island MacArthur Airport. Two 50,000-square foot multiuser warehouse structures will be the zone's first facilities.

Zone No. 53, Rogers County, Oklahoma—Tulsa Port of Catoosa, 5350 Cimarron Road, Catoosa, Oklahoma 74015, Robert W. Portiss, 918/266-2291. Zone on a

112-acre tract within the 2,000-acre port terminal and industrial park at the Tulsa Port of Catoosa in Rogers County. The zone will be initially activated at one of the existing warehouse/processing structures on the Port channel.

Zone No. 54, Clinton County, New York—Clinton County Area Development Corporation, Box 19, Plattsburgh, New York 12901, Francis A. Lapham, 518/561-8800. The zone will consist of two sites. Site 1 is a zone of 24-acres within the 200-acre Clinton County Air Industrial Park in Plattsburgh and Site 2 involves an 11-acre distribution center at the U.S./Canadian border in the Town of Champlain.

Zone No. 55, Burlington, Vermont—Greater Burlington Industrial Corporation (GBIC), 135 Church Street, Burlington, Vermont 05402, Walter Bruska, 802/862-5726. The zone covers 13 acres within a 104-acre industrial park being developed by GBIC at the airport. An existing warehouse facility would be the zone's first operation.

Zone No. 56, Oakland, California—Oakland International Trade Center, Inc., 633 Hagenburger Road, Oakland, California 94607, Russell Jones, 415/639-7405. Zone on a 13-acre site being developed as an International Trade Center. An existing 126,000-square foot building on the site will be modified to serve as the zone's initial facility.

Zone No. 57, Mecklenburg County, North Carolina—Piedmont Distribution Center (Operator), P.O. Box 7123, Charlotte, North Carolina 28217, Richard Primm, 704/588-3277. Two general-purpose zone sites located at existing warehouse/distribution facilities some 10 miles southwest of downtown Charlotte. A total of 225,000 square feet of space is available for immediate use, and plans call for expansion based on the needs of the community for zone services.

Zone No. 58, Bangor, Maine—City of Bangor, Economic Department, City Hall, Bangor, Maine 04401, Edward McKeon, 207/947-0341. The zone consists of two adjacent parcels of 1.7 and 24.8 acres at the Bangor International Airport. An existing structure of 21,800 square feet for warehouse/processing is immediately available for the zone's first operations on the smaller parcel. The larger one is planned for zone activity as part of the airport's industrial park development plans.

Zone No. 59 and Subzone 59A, Lincoln, Nebraska—Lincoln Chamber of Commerce, 1221 N Street, Suite 606, Lincoln, Nebraska 68508, Duane Vicary, 402/476-7511. Zone on a 250,000-square foot tract at the Lincoln Airpark West industrial park, a new air-cargo center adjacent to the Lincoln Municipal Airport. Operations will begin in an existing 37,000-square foot building and adjacent open yard area. The special-purpose subzone is located at the Lincoln plant of Kawasaki Motors Corp., U.S.A. (KMC), a domestic subsidiary of Kawasaki Heavy Industry, Ltd., of Japan, located at 5600 N.W. 27th Street in Lincoln near the Municipal Airport.

Zone No. 60, Nogales, Arizona—Border Industrial Development, Inc., 3601 Tucson-Nogales Highway, Nogales, Arizona 85621, Daphne Overstreet, 602/281-9101. The 28-acre zone site is located within the City of Nogales and adjacent to the Nogales West Customs Compound, the area's commercial crossing point on the U.S.-Mexico border. Initially, two 20,000-square foot warehouses will be constructed with industrial facilities to be constructed as demand arises.

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Zone No. 61, San Juan, Puerto Rico—Puerto Rico Commercial Development Co. (CDC), Commonwealth of Puerto Rico, P.O. Box 4943, San Juan, Puerto Rico 00936, Sandra Quinones, 809/725-1279. Consisting of 60 acres within a 203-acre International Trade Center being developed by CDC in the City of Guaynabo, the zone is near the City of San Juan and within 1 mile of the port facilities on San Juan Bay. Two warehouse facilities will be constructed containing about 125,000 square feet for initial zone operations.

Zone No. 62, Brownsville, Texas—Brownsville Navigation District, Port of Brownsville, P.O. Box 3070, Brownsville, Texas 78520, Al Cisneros, 512/831-4592. The zone at the Port of Brownsville, a deepwater port near the U.S.-Mexico border, consists of several sites on 2,000 acres within the 42,000-acre Brownsville Navigation District and at the nearby Brownsville International Airport.

Zone No. 63, Prince George's County, Maryland—Prince George's County, State of Maryland, County Administration Building, Upper Marlboro, Maryland 20870, Frank Sheehan, 301/952-3402. The zone consists of 77.5 acres within the County owned 1,281-acre Collington Center industrial park located immediately south of the City of Bowie at the intersection of U.S. Route 301 and Maryland 214 (Central Avenue) in Prince George's County. A 50,000-square foot multipurpose structure will be constructed as the zone's first facility.

Zone No. 64, Jacksonville, Florida—Jacksonville Port Authority, P.O. Box 3005, 2701 Talleyrand Avenue, Jacksonville, Florida 32206, E. A. Shaw, 904/633-5190. Zone on a 143-acre parcel owned by the applicant and located near the Jacksonville International Airport, some 8 miles north of downtown Jacksonville. Initially, a general-purpose warehouse facility of some 30,000 square feet would be constructed for zone operations within a 5-acre portion of the zone, with the remainder to be developed as needed.

Zone No. 65, Panama City, Florida—Panama City Port Authority, P.O. Box 388, Panama City, Florida 32401, Tommy L. Berry, 904/763-8471. Zone of 15.9 acres within the 120-acre Port Panama City industrial park on St. Andrew Bay on the Gulf of Mexico intracoastal waterway. Consisting of contiguous tracts of 2.4 and 13.5 acres, the sites are owned by the City and under lease to the applicant. The smaller tract is undeveloped land on which a general-purpose storage/processing facility will be constructed, while a large-diameter steel-pipe plant is under construction by the Berg Steel Pipe Corp. on the larger tract.

Zone No. 66, Wilmington, North Carolina—North Carolina State Ports Authority (operator), P.O. Box 3248, Wilmington, North Carolina 28406, Don Fishero, 919/763-1621. Two sites within the Wilmington Terminal area, which covers 350 acres in the City of Wilmington. Site 1 covers 24 acres and is adjacent to ocean vessel berths. It contains 11 acres of warehouses and cargo shelter and 13 acres of open space. Site 2 is on 12 acres at the north end of the terminal area on land available for expansion and industrial development.

Zone No. 67, Morehead City, North Carolina—North Carolina State Ports Authority (operator), P.O. Box 3248, Wilmington, North Carolina 28406, Don Fishero, 919/763-1621. Site 1 is located in the 154-acre Morehead City Terminal, within the Customs port of entry. It consists of a 92,600-square foot warehouse and an additional 4 acres of open space. The second site is a 40-acre tract of undeveloped port land 4 miles west of the port near the intersection of U.S. Route 70 and State Route 24, Carteret County, North Carolina.

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Zone No. 68, El Paso, Texas—El Paso International Airport, El Paso, Texas 79925, Walter T. Jones, 915/772-4271. Zone within the 530-acre Butterfield Industrial Park, an expansion of the El Paso International Airport Board's growing industrial and trade complex. The zone will consist of 60 acres and will be located near the El Paso International Airport. Initially, a 75,000 square foot warehouse and a 15,000-square foot office building will be constructed at the site.

Zone No. 70 and Subzones 70A and 70B, Detroit, Michigan—Greater Detroit Foreign-Trade Zone, Inc., First National Building, Suite 999, Detroit, Michigan 48226, John Cornelius, 313/963-2941. A dual-site, general-purpose zone with a 5-acre parcel at the Clark Street Port facility in downtown Detroit, and a 5.5-acre tract at the Woodfab Company's distribution complex, 6700 Chase Road, Dearborn, 10 miles from Detroit Metropolitan Airport. A 10,000-square foot warehouse is proposed for the downtown site. A 75,000-square foot structure is available at the Dearborn site for initial operations. Subzone 70A is located at Ford Motor Company's tractor assembly plant in Romeo, Michigan. Subzone 70B is for Chrysler's 120-acre Jefferson Assembly Plant, located at 12200 East Jefferson Avenue, Detroit, recently renovated to assemble front-wheel drive automobiles. Greater Detroit Foreign-Trade Zone, Inc., the sponsor, is affiliated with the City of Detroit Chamber of Commerce.

Zone No. 71, Windsor Locks, Connecticut—Industrial Development Commission of Windsor Locks, Town Office Building, Church Street, Windsor Locks, Connecticut 06096, Richard Blackburn, 203/623-3458. The zone is adjacent to Bradley International Airport and provides zone services for the Greater Hartford area. The 17.5-acre zone will be located within the 38.5-acre Crown Industrial Park at 399 Turnpike Road, Windsor Locks. A 28,000-square foot, general-purpose warehouse—currently under construction—will be available to initial zone users.

Zone No. 72, Indianapolis, Indiana—Indianapolis Airport Authority, Indianapolis Airport Authority, Indianapolis International Airport, 2500 South High School Road, Indianapolis, Indiana 46241, Daniel C. Orcutt, 317/277-6271. A 15.3-acre zone at the Indianapolis International Airport on two separate parcels. Parcel A is a .5 acre site on Pearson Road adjacent to the airport's international cargo apron. It contains a 20,000-square foot warehouse, which has been designated for initial zone operations. Parcel B, also on airport property, is at the intersection of Washington Street and Girls School Road. This 14.8-acre parcel has been designated for future zone growth and development.

Zone No. 73, Baltimore/Washington International Airport (BWI), Maryland—Maryland Department of Transportation, BWI Airport, P.O. Box 8766, BWI Airport, Maryland 21240, T. James Truby, 301/859-7060. A zone within BWI's Air Cargo/Industrial Park Complex which covers 500 acres on airport property. The zone consists of two sites on 38 acres to be developed in successive stages. Site one is a 16-acre parcel on Maryland Route 170 near Taxiway "A." It contains three existing air-cargo buildings totaling 103,000 square feet of floor space to be used for initial zone operations. Site two, located on Maryland Route 176 near Taxiway "T," would be developed to accommodate the needs of anticipated processing and manufacturing users.

Zone No. 74, Baltimore, Maryland—Baltimore Economic Development Corp., 36 South Charles Street, Baltimore, Maryland 21201, Paul Gilbert, 301/837-9305. A 20-acre zone within Holabird Industrial Park, a new 170-acre industrial and commercial complex being developed by the City in southwestern Baltimore.